Daily Report

Latin America

FBIS-LAT-95-232
Monday
4 December 1995

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

Daily Report
Latin America

FBIS-LAT-95-232 *4 December 1995*

CONTENTS

CARIBBEAN

Cuba

Further Reportage on Castro's Visit to China 1
Castro Meets Li Peng *[Havana Radio]* 1
'Eager' Castro Climbs Great Wall *[PRENSA LATINA]* 1
More on Great Wall Visit *[Havana TV]* 1
Castro Visits Forbidden City *[PRENSA LATINA]* 2
Castro Meets Li Peng, Tours Beijing *[Havana TV]* 2
Interviewed on Foreign Policy *[Cuban TV]* 3
Castro Praises PRC on Commercial Ties *[Havana Radio]* 5
Castro Arrives in Shaanxi Province *[PRENSA LATINA]* 5
Meets Shaanxi Official *[Havana Radio]* 5
Comments on Granma Landing *[Havana Radio]* 6
Visits Army Museum in Shaanxi *[Havana TV]* 6
Castro Arrives in Shanghai *[PRENSA LATINA]* 8
Meets Shanghai Party Leader *[PRENSA LATINA]* 8
Further on Visit *[Havana TV]* 8
PRC Media Covers Castro's Visit *[PRENSA LATINA]* 9
Commentary Views Joint Agreements *[Havana Radio]* 9
Castro Hails Contribution of Education School *[PRENSA LATINA]* 9

Haiti

Aristide Discusses 7 Feb Departure, Privatization *[Port-au-Prince Radio]* 10
Aristide Interviewed on Plan To Relinquish Power *[LIBETE 29 Nov-5 Dec]* 11

MEXICO

President Urges 'Stiffer Penalties' for Money Launderers *[Mexico City TV]* 16
President Tours Chiapas on Eve of Anniversary in Office *[Mexico City TV]* 16
President States Intent To Fight Corruption, Impunity *[NOTIMEX]* 17
Official: 1995 Private Investment Drops 25 Percent *[NOTIMEX]* 17
Labor Sector Leader Views Decision on Minimum Wage *[Mexico City Radio]* 18
Special Chamber Commission To Investigate Conasupo *[Mexico City TV]* 18
IMSS Director Views Social Security System Reforms *[LA JORNADA 27 Nov]* 19
PRI, PRD, PAN Senators Condemn Corruption *[Mexico City TV]* 20
PRI Deputies Urges Expulsion of Salinas Brothers *[LA JORNADA 29 Nov]* 20
'Liberty Referendum' Demands Change in Economic Course *[LA JORNADA 27 Nov]* 22
Article Examines Economy During President's 1st Year *[EL FINANCIERO (ANALISIS Supplement) 1 Dec]* 23

CENTRAL AMERICA

El Salvador

President Criticizes Union Leaders, Deputies *[LA PRENSA GRAFICA 29 Nov]* 25
Defense Minister Denies Armed Forces Conspiring *[EL DIARIO DE HOY 30 Nov]* 25
Corado Not To 'Meddle' in U.S. Massacre Probe *[LA PRENSA GRAFICA 2 Dec]* 26

More on Massacre Probe *[EL DIARIO DE HOY 2 Dec]* 27
Body Formed To Avoid Crisis Between Police, Protesters *[San Salvador TV]* 27

Guatemala

President Justifies Strategic Affairs Secretariat *[PRENSA LIBRE 28 Nov]* 28
URNG on Signing Socioeconomic, Agrarian Accord *[Guatemala City TV]* 28

Honduras

Spokesman Denies Army Chief Involved in Alien-Smuggling *[EL PERIODICO DE HONDURAS 30 Nov]* 28

Nicaragua

Assembly Leader Views Property Law, Telcor Privatization *[Managua National Assembly Press Release]* 29
Political Groups Said 'Plotting' To Suspend Elections *[EL SEMANARIO 24-30 Nov]* 30

Panama

President Withdraws Charges Against Paper *[Panama City TV]* 30
President's Remarks on Postponing Base Talks Lauded *[EL SIGLO 30 Nov]* 31
President Defends Economic Program *[Panama City TV]* 31
Communique Denies 'Rift' With Foreign Minister *[LA ESTRELLA DE PANAMA 2 Dec]* 32
Foreign Minister Denies Division on Bases Issue *[Panama City TV]* 32
ARI Administrator on Use of Reverted Areas *[Panama City TV]* 33
Envoy Rules Out Exploratory Base Talks Before Year's End *[LA PRENSA 1 Dec]* 36
New ARI Director Comments on Institution's Plans *[Panama City TV]* 37
PRD Delegate Calls For Change in Party Leadership *[Panama City TV]* 37

SOUTH AMERICA

Argentina

Reaction to Report on Alleged Arms Sales to Croatia 38
Said To Indicate 'Grave' Conflict *[CLARIN 30 Nov]* 38
Menem: No 'Strife' Between Ministers *[TELAM]* 38
Menem Denies Sales to Croatia, Ecuador *[Madrid EFE]* 39
Detainees in Raids Linked to AMIA Case Reported *[NOTICIAS ARGENTINAS]* 39
Banking Official: Banking System 'Solid' *[LA NACION 1 Dec]* 39

Brazil

Article Previews U.S. Treasury Secretary's Visit *[AGENCIA ESTADO]* 40
Mixed Commission With Germany Meets in Sao Paulo *[Brasilia Radio]* 41
Foreign Minister Views Talks on Trade Zone With Mercosur *[AGENCIA ESTADO]* 41
Further Reports on Sivam Surveillance System Project 41
Ex-Official: U.S. Pressuring President *[O GLOBO 1 Dec]* 41
Sarney: No Link To Reform Bills *[Brasilia Radio]* 42
Justice Minister Favors Project *[Brasilia Radio]* 42
President Defends Project *[Brasilia Radio]* 42
Draft Law on Policy for Telecom Satellite Use *[AGENCIA ESTADO]* 43

Chile

Daily Praises Clinton's Peace-Seeking Efforts in Bosnia *[EL MERCURIO 28 Nov]* 47

Foreign Minister To Visit to Cuba in Jan *[EL MERCURIO 30 Nov]* 47
President To Continue 'Productive' Foreign Visits *[Santiago TV]* 48
Foreign Minister: Meeting With Mercosur Not Fruitful *[Madrid EFE]* 48

Colombia

President: No Tolerance for Police Abuses *[Santa Fe de Bogota TV]* 48
Government To Request 'Powerful' Radar From U.S. *[Santa Fe de Bogota TV]* 49
Authorities Suspect Reorganization of Medellin Cartel *[Santa Fe de Bogota TV]* 49
Prosecutor: House Arrest Possible for Rodrigueses *[Santa Fe de Bogota TV]* 49
Interior Minister Interviewed on Case 8,000 *[Santa Fe de Bogota Radio]* 50
Santiago Medina Transferred to House Arrest *[Santa Fe de Bogota TV]* 51
Attorney: President To Ask Congress To Investigate *[Santa Fe de Bogota TV]* 51
Investigator To Submit Report on Samper 5 Dec *[Santa Fe de Bogota TV]* 51

Paraguay

Wasmosy Intervention Helps Overcome Party Impasse *[Asuncion TV]* 52
Party Elections Scheduled for Jan 1996 *[ABC COLOR 1 Dec]* 52

Peru

Daily on Military's Ties to Drug Traffickers *[LA REPUBLICA 9 Nov, etc.]* 53
Judicial Branch Executive Committee Installed *[EXPRESO 23 Nov]* 54
Supreme Court President Views Judicial Branch Bill *[LA REPUBLICA 20 Nov]* 54

Venezuela

Government Officials Discuss Regional Elections 55
Caldera Vows To Respect Results *[NOTIMEX]* 55
Caldera Urges Nation To Vote *[Caracas TV]* 55
Orozco: Electoral Process 'Normal' *[Caracas TV]* 56
Caldera on State, Municipal Elections *[Caracas TV]* 57
High Abstention Rate Noted *[Madrid EFE]* 58
Country Reaches 'Agreement of Principles' With IMF *[AFP]* 59

Cuba

Further Reportage on Castro's Visit to China

Castro Meets Li Peng

PA0112151095 Havana Radio Havana Cuba in Spanish 1300 GMT 1 Dec 95

[From the "Morning Information Review" newscast]

[FBIS Translated Text] Cuban President Fidel Castro had an intense work agenda today that included an interview with Prime Minister Li Peng and a visit to a developing residential area in the PRC.

After visiting part of the historic Great Wall in the morning, Castro talked with Li Peng and attended a reception held for him by the Prime Minister. Later, Castro visited the Fangzhaun neighborhood, the site of a housing complex where 1,200,000 people reside. District authorities explained the characteristics of the site where modern buildings are intended to be bought by enterprises and organizations and then rented to their own workers.

The Cuban delegation visited Beijing's Second Artistic Kindergarten. Children welcomed them warmly and demonstrated their musical, dancing, and artistic abilities.

'Eager' Castro Climbs Great Wall

PA0112201595 Havana PRENSA LATINA in Spanish 0634 GMT 1 Dec 95

[FBIS Translated Text] Beijing, 1 Dec (PL) — Without any sign of fatigue and eager to see an extraordinary scenery, Fidel Castro today climbed approximately 500 meters up to the Great Wall of China to become, according to his hosts, the only visiting chief of state to reach the highest point.

At the site, the Cuban president pointed out the colossal effort that the construction of this wall represented. The 6,700 km-long wall served to defend China's frontiers from foreign attacks.

Without heeding requests by some to end the hike because of the steepness of the path that coils up along the wall's top area, Fidel Castro affirmed that the meeting with this portion of China's millenary history made him think of "the gravity of time."

Fidel Castro listened attentively to the explanations given him on the characteristics of the wall, construction of which began in 770, and he admired the hard work put forth to raise it.

The existence of this wall must have allowed a significant reduction in the number of military forces needed to defend the borders, the president commented.

Many reporters and photographers, both local and foreign, had taken up positions early along the Balaling Path, approximately 60 km northeast of Beijing before the visiting president arrived around 1000.

During the tour, Fidel Castro was accompanied by Chen Jinhua, chief of the government's Reception and Protocol Committee and minister in charge of the State Planning Commission, and other officials.

The Cuban leader arrived in Beijing Wednesday. Yesterday he met with his Chinese counterpart, Jiang Zemin; the chairman of the National People's Congress, Qiao Shi; and the chairman of the Chinese People's Political Consultative Conference, Li Ruihuan.

This Friday Fidel Castro is scheduled to meet with Prime Minister Li Peng with whom he spoke in October during a brief stopover in Havana.

In addition to the visit to the Great Wall, today's program includes a visit to an industrial area of Beijing where Castro will be able to have direct contact with the economic reforms the Asian country has implemented.

More on Great Wall Visit

PA0312003995 Havana Tele Rebelde and Cuba Vision Networks in Spanish 0100 GMT 2 Dec 95

[From the "NTV" newscast]

[FBIS Translated Text] Cuban President Fidel Castro this morning visited the Great Wall of China. According to his Chinese hosts, Fidel became the only visiting president who has traveled to the highest point of the historic wall. During that visit to a part of the millenary Chinese history, Fidel said that this reminded him of the passing of centuries. Our special envoys have a special report from that location.

[Unidentifed male reporter] Early in the morning and in subzero temperatures, Fidel and the Cuban delegation arrived at the Great Wall of China. Sixty kilometers away from Beijing is the Badaling Pass, one of the best-preserved areas of the Great Wall, which is annually visited by 5 million tourists.

This architectural area, which represents one of the great feats of the ancient world, stretches over one sixth of the equator's length, and it was originally built as a military defense facility, but in time it became a meeting or gathering point of the nationalities that today comprise the Chinese people.

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

[Begin recording] [Unidentified female reporter] Commander, what do you think of the wall and the view from here?

[Castro] It impresses as much as [words indistinct] and the cold [words indistinct] Have you been here a long time?

[Reporter] Yes, we have been here [words indistinct] especially our ears.

[Castro] My ears are not numb yet. They are now beginning to get numb.

[Reporter, laughing] They are now beginning to get numb.

[Second female reporter] What are your first impressions on the 48 hours of this visit?

[Castro] Very good. But please allow me to enjoy the view of the wall. [end recording]

[Male reporter] In very good spirits, Fidel climbed more than 500 meters of this sector of the wall, located 750 meters above sea level. He took this opportunity to inquire about the characteristics of the wall's construction, which, he said, resembles a fortification of several thousand kilometers.

Three hundred thousand men were tasked with building this wall. In a little over 10 years, they built the 5,000-km wall we know today.

In another moment of the visit, Fidel paused and said climbing the wall reminded him of his times as a guerrilla fighter, when he climbed Turquino Peak. Later, he inquired about the characteristics of the materials used to build the wall.

At the place's tourist center, Fidel and his party members appreciated a historical model of the time in which the Great Wall was built. [recording of unidentified person giving explanation in Chinese]

Castro Visits Forbidden City

PA0212201295 Havana PRENSA LATINA in Spanish 1613 GMT 2 Dec 95

[FBIS Translated Excerpt] Beijing, 2 Dec (PL) — Cuban President Fidel Castro today traveled to Xian, capital of Shaanxi Province, to begin a tour of Chinese provinces that will last through next Friday.

On Saturday President Castro began the third day of his official visit by placing wreaths at the mausoleum of the late Chinese leader Mao Zedong and at the Monument to the People's Heroes at Tiananmen Square.

On this cold and very windy morning, President Castro went to the Tiananmen Gate, at one end of the square, and then visited the Imperial Palace, also known as the Forbidden City. Construction of the Imperial Palace began in 1403 during the Ming Dynasty.

Accompanied by Xu Yicong, the outgoing Chinese ambassador to Cuba, President Castro walked around the Imperial Palace for nearly 2 hours, listening closely to the explanations given by his hosts from Tiananmen Gate (the Gate of Heavenly Peace), the place where Mao proclaimed the People's Republic on 1 October 1949.

Many reporters and photographers followed the Cuban leader this morning. On one of the palace's interior patios, President Castro jokingly told the photographers to be careful or else the cold would show up in the photographs. [passage omitted on background material]

Castro Meets Li Peng, Tours Beijing

PA0212223295 Havana Tele Rebelde and Cuba Vision Networks in Spanish 0100 GMT 2 Dec 95

[Report by Ana Gloria Loyola, Omar De La Cruz, and Froilan Arencibia; from the "NTV" newscast]

[FBIS Translated Text] Chinese Premier Li Peng today expressed his conviction about the Cuban perspectives for development and stability. He also expressed that Cuba is greatly admired in China and elsewhere around the world.

Li Peng highlighted the role played by the Cuban president in leading the country and stressed Cuba has resisted external pressure under very difficult conditions. The Chinese head of government made the aforementioned statements at a meeting he held with Fidel today at the Illustrious Guests' Residence in Diaoyutai in Beijing. On this occasion, Fidel congratulated his hosts for the successes of the Chinese people.

In the morning, the Cuban president visited (Xanxuan) District in southeast Beijing, where approximately 1.5 million people live. A nice surprise awaited the Cuban delegation at one of the children's day care centers in this residential area. The children, all under five years old, warmly welcomed the visitors.

Later, a brief tour of the city was conducted, and the Cuban delegation knocked on the door of the (Kaugwen) family.

[Begin recording] [Unidentified Chinese woman, in Chinese fading into Spanish translation] For me and all the members of my family, it is a great pleasure to have your company.

[Castro] How many [words indistinct]?

[Chinese woman] The wife, the man of the house, and one daughter.

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

[Castro] [words indistinct] Cuba has the western custom of large apartments. [words indistinct] I like them smaller. I like homes of this size. [end recording]

The second working day of Fidel in China concluded with an interview with Premier Li Peng.

Interviewed on Foreign Policy

PA0212052795 Beijing Cubavision Internacional Television Feed in Spanish 0318 GMT 2 Dec 95

[Interview with President Fidel Castro by unidentified reporter in the PRC on 1 December; reporter's questions in Chinese with passage-by-passage translation into Spanish — broadcast in progress]

[FBIS Translated Text] [Reporter] ...at many international events you have worn civilian clothes. Does this change have any special significance?

[Castro] It has no special significance. In a summit meeting of Latin American heads of state in Cartagena, we were all asked to wear guayabera shirts because what I am wearing now is my everyday clothes, so I had some guayaberas made for me. I asked some companeros to help me get a couple of guayaberas in 24 hours. I complied with what they were asking for in Cartagena. I later found out that I did not have any suits. Some friends offered to send me a designer to make my civilian suits. I agreed because I thought at some point in time I would have to use them. I thought it was okay to use them in other summits. For example, during my visit to Uruguay, to the Bariloche summit of Latin American heads of state, and finally in New York, I did not want to show up there with my new suit so that they would not think I was a military type of some sort.

In many of those meetings, I have worn my civilian attire, but when I travel by plane I wear this suit. In China, I attended an official event and, thinking about the Chinese traditions, the heroic Chinese people, and their struggle for independence and liberation, I decided to wear a military uniform, a dress uniform, without medals. I do not usually wear decorations.

That is why yesterday I wore my military uniform to the official reception. In the meeting with the chairman of the Chinese People's Political Consultative Conference, and the National People's Congress I wore that uniform. During the evening I wore a civilian suit for the official banquet.

Today, to visit the Great Wall, I wore this uniform because it is the proper attire to visit a place that reminds us of the history of the struggles of the Chinese people against the invasions. I arrived here with the same clothes. This is the one I am wearing for this interview.

[Reporter] The Cold War has ended, and we are now living in an international situation whose main current is peace and development. As a statesman, who has a great (?position) in the world, how do you view this new international situation?

[Castro] I believe it is very important that the Cold War has ended, in part. There still are dozens of nuclear weapons in the hands of the most powerful countries, and this is always a risk for peace. Nevertheless, we have made progress toward detente, which we hope will last. Huge sums of money are still being spent on weapons. The U.S. military budget has hardly been reduced, for example. More weapons continue to be manufactured. The arms trade continues in the world.

Numerous local conflicts take place in the world today. The United Nations is now approving interventions to restore peace. I believe a long road lies ahead to achieve the peace we want with a just international order that can respect the independence and sovereignty of countries, that can fight against the arms race, and that can fight for nuclear disarmament of all countries. There are powers with numerous nuclear weapons.

I am not referring to China, who created self-defense with its nuclear weapons, but which cannot be described as a great nuclear power. I believe the aspiration of humanity is to eliminate all nuclear weapons and achieve a just order without hegemonic practices, with respect, I repeat, for the independence and sovereignty of countries as well as economic and social order in the world. I would say we need a peace based on the five principles of peaceful coexistence proclaimed by China. [Reporter] Third question. Within the context of recent changes within the international order, economic development has become a highly important factor for a country. We would like you to explain a statement you made early this year, when you said that you are not in favor of capitalism, but that you are realistic. Those were more or less your words.

[Castro] That is correct. There is a new situation in the world and the main aspiration of peoples is not only peace, but also economic development. What happens is that many countries do not have peace or economic development. We must carry out efforts in international cooperation in favor of development. This is vital for all countries, for some more than others.

Some countries have a small population and enormous natural resources, such as oil resources. Those countries do not have the problems of other countries with a large population, but not as many natural resources. However, we can say that today development is the center of the struggles and aspirations of the peoples. That is why I said that I am not in favor of capitalism. I am not

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

in favor now either. When I say realistic, I mean... [pauses] I am referring to the need for reforms and opportunities that will contribute to development, but within the principles of Socialism, just as you are doing here in the PRC.

[Reporter] Question number four. For more than 35 years the United States has maintained a total economic blockade against Cuba, to which we must add the approval in the United States in 1992 of the Torricelli law, aimed at intensifying that blockade. Could you tell us what measures is Cuba taking to face this [word indistinct] act?

[Castro] Yes, of course. This was preceded by something more serious for our economy, which was the disappearance of the Socialist Bloc, and the disintegration of the USSR, which created a very difficult situation for us. Some believed that the Cuban revolution was quickly collapsing, because they did not realize the strength of the Cuban revolution, the patriotism and revolutionary awareness of our people. When they realized that Cuba was not collapsing, they reinforced the blockade, and established this Torricelli law to create more difficulties for our country in our path toward economic development preserving socialism. Those laws, however, did not produce results either.

Now, recently, they have approved other laws, even harsher, which even violate the sovereignty of other countries. Those laws are in the process of approval and are being debated. There is a rightist majority in the U.S. Congress, and they do not want to forgive Cuba for its independence. They do not want to forgive Cuba for its revolution, and for that reason they have drafted a harsher bill which they are discussing now.

However, even if they were to approve those proposals for bills, we are prepared to continue resisting, to continue defending the cause of socialism, and even to develop our country. In this respect, we have been adopting every necessary measure which it would be too lengthy to point out in this short time which you have available. However, many of these measures are similar to the ones adopted in China during the early years of the opening [apertura] and the reform.

[Reporter] China and Cuba both have a long and common history. Nearly 140 years ago, Chinese and Cubans worked shoulder-to-shoulder in Cuban territory. In the 1960's or 1970's, a Cuban song entitled Beautiful Havana became popular in China. It can be noticed that the Chinese, as well as the Cuban people, have both had diverse manners to strengthen their traditional friendship. Now, what significance do you attribute to your visit to China, which you are making as a representative of the Cuban people, for the first time in 36 years in power?

[Castro] Well, it is true that there is a long tradition of friendship. The first Chinese to arrive to Cuba did so during the past century during colonial times and when China was still a feudal state and semi-colonial. The Opium War had already taken place in 1840. Then the British, who by then had proclaimed themselves as conquerors after having suppressed slave trafficking, began to send Chinese to the Caribbean and to other nations as slaves, disguised with work promises which later on became deceptions, and thus subjected these Chinese to tremendous anguish.

These Chinese also arrived in various other countries, but mostly to our country, which at the time was a Spanish colony. Thousands of them arrived.

Now, hordes of Chinese fought during our war of independence against Spain, and they fought excellently, bravely, and as intelligent fighters.

It is for this reason that in China ... [pauses] Cuba, in the capital city, there is a monument honoring those Chinese fighters who fought for Cuba's independence in the past century against Spanish colonialism. Inscribed in that monument there is a headstone that says: No Chinese were deserters. No Chinese were traitors. These are some very beautiful words that express the temperament and spirit of the Chinese people. Those ties continued developing throughout the years, and continued to develop even further during the years of the revolution.

During the past few years relations have improved even more, developing based on a policy of principles, based on principles of peaceful coexistence, based on the historic ties, based on China's policy of peace and cooperation.

This was until the moment arrived when we had the great honor of receiving the visit in Cuba in late 1993 of companion Jiang Zemin. I had entertained a longstanding desire to know China and to visit China. I would have liked to have responded to this invitation before, since they extended it to me in 1993, but a lot of work in the proximity of the United States, under conditions of the blockade, and the special circumstances prevented me from making a long trip to the middle of the world, as was the trip to China.

Then, I understood it was indispensable to make every effort possible and under any circumstance to make the visit. This was after the meeting with companion Jiang Zemin in New York. [break in reception]

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

Castro Praises PRC on Commercial Ties

PA0212035195 Havana Radio Rebelde Network in Spanish 1800 GMT 1 Dec 95

[Report on interview with President Fidel Castro by special envoy Zenaida Costales in the PRC on 1 December; from the "National Radio News" newscast — recorded]

[FBIS Translated Text] [Anchorman] On the second day of Fidel Castro's visit to the Asian giant nation, he visited the Great Wall, toured an area of modern buildings, met with Chinese Prime Minister Li Peng, and visited the Cuban Embassy. Our special envoy Zenaida Costales reports from China:

[Costales] The energy and perseverance shown by Chinese reporters, who did not miss any details of this tour, made it possible to have an interview with the Cuban president who expressed his admiration for the Chinese people.

[Begin Castro recording] [Words indistinct] I feel great affection and much admiration for China and the Chinese people because of its millenary history, for its personal qualities, for its love of independence and freedom, for its heroic struggles against neocolonialist interventions, for the efforts it made for more than one hundred years to achieve its liberation, for its current work, for the great economic success it has, and for the stability it has achieved. Therefore, I can assess that China is a country of the 21st century and a country for the future that has human potential, natural resources, scientific potential, and talented children. I believe that in the 21st century if not today, China's industriousness will rise up as a giant. [end recording]

[Costales] Fidel also commented on commercial relations between China and Cuba and prospects for the future.

[Begin Castro recording] China has an excellent behavior and has shown understanding toward Cuba. It has made every effort to maintain trade. We greatly appreciate China's efforts to help develop commercial relations with Cuba in a very difficult situation. However, this situation is now beginning to improve and in the future, commercial relations between China and Cuba will develop without interruption and without any fear. [end recording]

[Costales] It is noon over there in Cuba, and here the sun is rising on this second day of December when Fidel is expected to travel to the southwest of Beijing to Xian Province, province that has a rich cultural inheritance and is one of the main areas where the Chinese nation originated.

Castro Arrives in Shaanxi Province

PA0212153295 Havana PRENSA LATINA in Spanish 1025 GMT 2 Dec 95

[FBIS Translated Excerpt] Xian, PRC, 2 Dec (PL) - Thirty-nine years after his historic descent from the GRANMA yacht in Cuba, Fidel Castro began another encounter with history upon arriving in Xian, the PRC's ancient imperial capital.

The Cuban president arrived in this city of 6.5 million inhabitants at 1610 local time to begin his tour of several provinces in the second phase of his visit to China.

At the Xianyang Airport terminal, the Cuban leader was warmly welcomed by leaders of the Communist Party [CPC] and the government of Shaanxi Province. Currently, Xian is the capital of this province.

After accepting a floral arrangement as a welcome gesture, the Cuban president was greeted by An Qiyuan, secretary of the Shaanxi CPC Provincial Committee, and by Shaanxi Vice Governor Xu Shanlin.

Castro was also welcomed by Xian Mayor Fang Xuchu and Rao Duzhan, deputy director of Shaanxi Province's Office of Foreign Affairs.

Fidel Castro and the other members of the Cuban delegation then left for the hotel where they will be staying. At the hotel, the members of the delegation held a lively conversation with local authorities. [passage omitted on history of and tourist attractions in Xian]

Meets Shaanxi Official

PA0312042795 Havana Radio Havana Cuba in Spanish 0000 GMT 3 Dec 95

[From the "Evening Information Review" newscast]

[FBIS Translated Text] Cuban President Fidel Castro and An Qiyuan, secretary of the Shaanxi CPC Provincial Committee, met in the old city of Xian, where they assessed the possibility of expanding ties between that province of northeast China and Cuba. The leader of the Cuban revolution expressed his admiration for the Museum of Warriors and terra-cotta horses of natural size, an example of the millenary Chinese wisdom that is present at the tomb of the first emperor of the Qin Dynasty, dating from the year 200 B.C.

President Fidel Castro's visit to China, which will conclude on 8 December, includes visits to various points in the interior of the Asian giant.

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

Comments on Granma Landing

PA0312160795 Havana Radio Havana Cuba in Spanish 1300 GMT 3 Dec 95

[From the "Morning Information Review" newscast]

[FBIS Translated Text] President Fidel Castro, who is in the Chinese city of Xian, Shaanxi Province, has stated that he is very happy to commemorate the 39th anniversary of the Granma landing from such a great country as China. Castro sent greetings to his people from the Asian country on the historic date marking the landing of the expeditionary boat under his command in 1956, set on achieving total freedom for Cuba, which came following the 1 January 1959 victory. Castro recalled that the city of Xian was the cradle of Chinese civilization and that it has made important archaeological discoveries that have represented great progress for humanity.

Castro granted an interview to Chinese central television, expressing the profound friendship that has always existed between China and Cuba and highlighted the participation of China's sons in the Cuban independence wars. Castro said much remains to be done in the world in order to achieve peace with an equitable international order that will fight against the arms race and advocate total disarmament without hegemony, respecting sovereignty and based on the principles stated by China for peaceful coexistence. Castro stated that the world is not only striving for peace, but also economic development. Castro added that many nations of the world still lack one thing or another, so a global effort should be made to help them.

Visits Army Museum in Shaanxi

PA0412122795 Havana Tele Rebelde and Cuba Vision Networks in Spanish 0100 GMT 4 Dec 95

[From the "NTV" newscast]

[FBIS Translated Text] On the fourth day of his visit to the PRC, Fidel Castro also visited Shaanxi Province where he toured the Terracotta Army Museum, the town of (Pangow) that is 500 m away from the museum, and a few hours later the satellite measurement and control center of that capital city.

On Saturday afternoon, Fidel and the Cuban delegation concluded their visit to Beijing and went to Xian in southwestern China and 1,600 km from the capital city. Xian is considered the birthplace of Chinese civilization. At Xian airport, the Cuban delegation was received by An Qiyuan, secretary general of the Shaanxi Provincial Party Committee, and Xian Mayor Yu Chanling.

Shaanxi has an area of 206,000 square km, almost twice Cuba's area, and a population of 34 million inhabitants. Xian was greatly appreciated in ancient times by Chinese emperors, probably because of its important strategic position which is hard to reach. Thus, it was called the City of Everlasting Peace. Along with Athens, Cairo, and Rome, it is considered one the four most important ancient cities in the world.

Early on Saturday evening, Fidel talked with An Qiyuang and other party and provincial government officials. During their meeting, the Chinese leader commented on the happy coincidence that Fidel's visit took place on 2 December, which is the 39th anniversary of the Granma landing. After the brotherly meeting, Fidel and his companions went to the Tang dynasty theater where they watched a performance of music and dances pertaining to that Chinese historical period. [audio broadcasts music, songs, applause]

When the performance was over, the Cuban president went up to the stage and congratulated the artists. [Audio broadcasts music, applause, laughter, crowd noise]

When he returned to the hotel after a day full of activities, Fidel talked with Cuban reporters for a few minutes:

[Begin recording] [Unidentified reporter] Did you know that Raul sent a message to Radio Rebelde today on the anniversary of the Granma yacht and another message for the FAR's [Revolutionary Armed Forces] anniversary? He mentioned your visit to China. I would not like to miss this opportunity because the anniversary of the Granma yacht is commemorated today right when you are visiting China. What do you think of the coincidence of commemorating two dates at the same time?

[Castro] It is a matter of chance. I have given much thought to the coincidence of the commemoration of the 39th anniversary of the Granma landing and my visit to China, including my visit to Xian. I have discussed this matter with my Chinese hosts. They all have congratulated me. Who would have said so 39 years ago? I am very happy about being able to recall that event in this great country. We had a very intensive day of activities that began very early and it is not over yet. About 14 hours full of activities. We have just seen an impressive performance at the (?restored) theater that has been built with foreign cooperation. It was an interesting contract, is it not? They realized that this city is one with the most attractions for tourism. Here the terracotta armies were discovered. Here the first Chinese emperor who united China founded his empire.

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

[Reporter] It is the birthplace of civilization.

[Castro] It is the birthplace of civilization today. They are becoming more and more aware of this fact. At least, I refer to China. I would not dare to make any more comparisons. I lack the necessary assumptions. However, this culture is millenary. Findings in the area of archaeology here have never been seen previously and are at least unprecedented. It is said to be the largest find. More research is still being done. You will have the opportunity to watch this because we are going there tomorrow.

[Reporter] Is Shanghai waiting for you also?

[Castro] Yes, but I do not know yet how to swim in Shanghai. [laughs]

[Reporter] No, no, no.

[Castro] China has very much impressed me with its people, its leaders, everything, the attention, and its hospitality. Everything is wonderful. Although [words indistinct], we will stay here at least 24 hours. Nobody has said at what time we will leave. You should know it better than me.

[Reporter] Tomorrow afternoon. Do you know that the Granma's route was also commemorated? At about this time, the young people were arriving at the La Colorada route.

[Castro] Yes, at this time because of the hour, right?

[Reporter] Yes, because of the hour, since it is more or less 0900 in the morning in Cuba.

[Castro] Nine in the morning, but we came a little earlier. We got here at approximately 0600 or 0630; between 0600 and 0700. We have not heard any news. That news was not heard, and I have not even been able to talk on the telephone or read dispatches or anything today.

[Reporter] The schedule is very tight.

[Castro] Yes, with no time to catch my breath.

[Reporter] I think this is an encounter with history — in China on this occasion — after 39 years [passage indistinct].

[Castro] I never would have imagined it that morning, that on [words indistinct] I was going to be in a city like this one. This is also a heroic city, [passage indistinct] the history of China [passage indistinct] the struggle for independence. This is really a major city, and I am glad it was included in the program [words indistinct] one does not even have the time to enjoy, going from here to there.

[Reporter] Would you like to send a message to the Cuban people, who are also admiring your first visit to China, since today it is 2 December?

[Castro] I always carry in my heart and my mind the people and Cuba and Cuba [passage indistinct] who are in our country [words indistinct] for one second. Each new thing I see or learn I associate with Cuba.

[Reporter] Thank you very much, and enjoy and rest this evening, so you can start a new schedule tomorrow.

[Castro] Let us see on what day I break a record. Did you visit Tiananmen Square?

[Reporter] Yes, some of us, because others had to fly ahead to get here.

[Castro] At what time did you get here?

[Reporter] We had to fly earlier to get there.

[Castro] [Word indistinct] tomorrow?

[Reporter] Yes, and another group was left there.

[Castro] Who do you represent?

[Reporter] I work for Radio Rebelde.

[Castro, chuckling] Radio Rebelde. PRENSA LATINA and the television also.

[Reporter] Yes.

[Castro] There is a satellite station here that we will visit tomorrow.

[Reporter] We are going to visit it tomorrow.

[Castro] You can take advantage of it to send images [laughter].

[Reporter] Yes, everybody says it is highly developed.

[Castro] Yes, it must be.

[Reporter] We will see tomorrow.

[Castro] It is the same with the [words indistinct] it makes swift progress, great progress, everywhere.

[Reporter] [Words indistinct] a giant in 2000.

[Castro] Is the country of the 21st century. The giant that is awakening.

[Reporter] I think so, at least it has 2.1 billion people.

[Castro] It is not 2.1 billion. Pardon me, it is 1.214 billion. And with every passing day there are more people, so the figures have to be updated.

[Reporter] Thank you, very much. [end recording]

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

Castro Arrives in Shanghai

PA0312151995 Havana PRENSA LATINA in Spanish 1315 GMT 3 Dec 95

[FBIS Translated Text] Shanghai, China, 3 Dec (PL) — Cuban President Fidel Castro arrived today in Shanghai from Xian, the provincial capital of Shaanxi. This is the fourth day of his official visit to the PRC.

The airplane transporting the president arrived at Hongqiao Airport at 1850 local time, when it was already dark. Castro was received by Shanghai authorities in a brief ceremony.

During his stay here, Fidel Castro will tour industrial complexes, economic development zones, and will hold talks with local Communist Party and government leaders.

Shanghai, which has approximately 14 million inhabitants, is the country's main industrial development area.

Meets Shanghai Party Leader

PA0312171395 Havana PRENSA LATINA in Spanish 1529 GMT 3 Dec 95

[FBIS Translated Text] Shanghai, China, 3 Dec (PL) — Cuban Chief of State Fidel Castro arrived today in Shanghai from Xian, the provincial capital of Shaanxi, continuing his tour of China's interior on the fourth day of his official visit.

The president arrived at Hongqiao Airport, in this overpopulated, industrial center of China, accompanied by Chen Jinhua, head of the protocol committee and minister in charge of the State Planning Commission.

At the air terminal, Castro was welcomed by officials of the Communist Party of China (CPC) and the government of the special municipality, one of the three municipalities that receives the central government's direct attention.

Shortly after his arrival, Fidel Castro talked to Huang Ju, secretary of the Shanghai Municipal Party Committee. Huang stated his satisfaction over the development of economic cooperation ties between Cuba and Shanghai, and offered Castro an overview of the progress achieved by this city.

Huang remarked that in the past five years, Shanghai achieved an average GDP growth of 14 percent compared to the 1980s, and stressed that the progress made in infrastructure during that period equals the total progress made in the previous 40 years.

At night, after a reception offered by local authorities, the Cuban leader was invited to tour Shanghai, a city of approximately 14 million inhabitants.

Castro stated that it is better to see things once than listen to others talk about them 100 times, and because of this, he stressed, he was preparing to see the reality of Shanghai.

Tomorrow, the Cuban delegation will tour industrial companies in special economic development areas and visit the local stock market which is China's leading stock market.

The fourth day of Castro's official visit to China began with a visit to a museum of clay figures of warriors and horses from an ancient Chinese imperial dynasty, in the outskirts of Xian.

These artworks were discovered in 1976, when a local peasant tried to dig a well and found the first figure of an entire army made of clay fired at high temperatures approximately 2,000 years ago.

Castro expressed his admiration and great interest in the discovery, which he described as impressive and worth remembering and meditating about.

The work being undertaken by the restorers of this archaeological jewel is almost as significant as that undertaken by those who created it, and it deserves the recognition of humankind, the president noted.

Further on Visit

PA0412034095 Havana Tele Rebelde and Cuba Vision Networks in Spanish 0100 GMT 4 Dec 95

[From the "NTV" newscast]

[FBIS Translated Text] Commander in Chief Fidel Castro today arrived in the city of Shanghai as part of his tour of the PRC. At Shanghai's International Airport, Fidel was received by Huang Ju, secretary of the Shanghai Municipal Party Committee, as well as other local government personalities.

From Shanghai, the main port of the PRC, our special correspondents have this report:

[Unidentified male reporter] Cuban President Fidel Castro and the delegation accompanying him arrived on Sunday evening in Shanghai from Xian, third leg of his China visit, on his fourth day of intense work.

At the air terminal of China's second largest city Castro was received by Huang Ju, secretary of the Shanghai Municipal Party Committee, and other province officials.

Shanghai is one of the most important industrial and financial centers of this Asian country, and it is located 1,800 km southeast of Beijing, the capital.

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

A few minutes after the arrival, the commander in chief received the official welcome of city authorities.

[Begin recording] [Unidentified official, in Chinese fading into Spanish translation] The latest days have been [words indistinct] intense coverage of media sources from our city regarding the successful activities of Comrade Fidel Castro in the city of Beijing. This makes us all very happy.

Today this city, Shanghai, this bustling city, is honored to welcome the comrade president [camarada presidente]. With great satisfaction we have corroborated these past years the good development of cooperation and economic exchange between Cuba and the city of Shanghai. We are convinced that this visit of the comrade president will undoubtedly contribute to furthering the friendship and cooperation between our two peoples and the expansion of cooperation and economic exchange between Cuba and Shanghai.

[Castro] Dear Comrade Huang Ju, dear comrades from the Shanghai directorate, dear comrade [words indistinct]: I believe that [words indistinct] today [words indistinct] we have had to carry out a long program; we arrived at 1915 in this hotel [words indistinct] walked up 35 floors [words indistinct] and got dressed to be here at 1945. [end recording]

As part of their visit to China, the Cuban delegation has scheduled a visit to the (Qianchao) exporting zone and the Shanghai Stock Exchange.

PRC Media Covers Castro's Visit

PA0212014295 Havana PRENSA LATINA in Spanish 0324 GMT 1 Dec 95

[FBIS Translated Text] Beijing, 1 Dec (PL) — China's leading media today headlined Cuban President Fidel Castro's visit to that country and his talks with his counterpart Jiang Zemin, talks that put emphasis on friendship and cooperation.

The daily RENMIN RIBAO, organ of the Central Committee of the Communist Party of China, reports on its front page that the two leaders want to strengthen bilateral cooperation and trade and to cooperate and support each other in the international field.

The report is accompanied by a photograph of Fidel Castro and Jiang Zemin toasting at the end of the signing of three scientific and technological cooperation and trade agreements.

Fidel Castro's meeting with Qiao Shi, leader of the Chinese National People's Congress; and Li Ruihuan, chairman of the Chinese People's Political Consultative Conference, were also reported on in that newspaper.

The Overseas Section of RENMIN RIBAO includes a report combined with a photograph of the leaders during a toast and points out that the talks, described as sincere and friendly, lasted three hours.

The same news treatment was accorded by Beijing's GUANGMING and ECONOMICO [newspaper name as received].

CHINA DAILY, an English-language newspaper, publishes on its front page a photograph of the welcome ceremony, when a girl was handing a flower arrangement to the Cuban leader. The headlines point out China's support for Cuba.

Commentary Views Joint Agreements

PA0312185195 Havana Radio Rebelde Network in Spanish 1800 GMT 1 Dec 95

[Commentary by Orlando Contreras; from the "National Radio News" newscast]

[FBIS Translated Text] The agreements signed with the PRC during the first day of President Fidel Castro's official visit include a donation of $3 million for scientific research. It is a soft loan, in other words, at low interest rates and medium or long payment terms. Another $8 million is earmarked for the same purpose. The third agreement is the ratification in principle of trade agreements between both countries that will expire on 31 December, in 30 days to be exact.

The contribution in the area of scientific research is highly significant; $11 million to be used in research is a substantial sum, particularly because Cuba has shown scientific capacity in sciences applied to health and sickness prevention. This has resulted in benefits for our people and has also helped our foreign trade.

After noting the value of this agreement, I would like to stress the special importance of the trade agreement, the details of which will be analyzed by both parties in future meetings in Havana. Specifically, commercial relations with the PRC will be established between companies. The most relevant aspect, however, is that despite the imbalance in our trade with the PRC — because for various reasons we have not been able to meet our sugar commitments — the agreement has been maintained. This is shown, in practice, with an extended credit agreement, and reflects the PRC's friendship and confidence in the recovery of the Cuban economy.

Castro Hails Contribution of Education School

PA0212223395 Havana PRENSA LATINA in Spanish 1454 GMT 1 Dec 95

[FBIS Translated Text] Havana, 1 Dec (PL) — President Fidel Castro hailed the contribution made by the

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

Superior Education School of the Communist Party of Cuba (CPC) to the study of Marxism and to the ideology of Jose Marti and congratulated the school on its 35th anniversary.

In a letter published by GRANMA newspaper today, the president correlated the emergence of this higher social studies center with the initiation of the revolutionary education policy in the country and evaluated that it is an "ideological pillar to defend the fatherland and the achievements of socialism."

Founded on 2 December 1960, at the initiative of Fidel Castro, with the name National School for Revolutionary Education, its objective was, from the beginning, to teach Marxism "without dogmatism and linked to reality."

According to an article in the same newspaper, the school was established to further the objective of ideologically uniting the members of the organizations who fought against Fulgencio Batista's dictatorship — which they toppled in 1959 — and to prepare the road for the formation of the party.

After extolling the role of the classrooms that the organization has throughout the country, the chief of state recalled how it had surpassed a phase of "dogmatic influences" and asserted that "with more active and participative education, linked to our reality," it is moving forward on a positive course.

Likewise, he called on the school to continue on this path, especially now that the cohesion of all the revolutionaries and a greater economic awareness is necessary to propitiate higher levels of efficiency, "safeguarding our ideology of human redemption."

Currently, the "Nico Lopez" Superior Education School teaches post-graduate courses to political, government, and social leaders, and its classrooms have held professionals and investigators from several humanistic disciplines.

More than 21,700 Cuban students and almost 2,000 foreign ones have been taught there during the past 35 years, training in economy and society, national political and cultural projects, international relations, the universal development of philosophy, classic Marxism, and the ideology of Jose Marti.

Haiti

Aristide Discusses 7 Feb Departure, Privatization

PA0212031795 Port-au-Prince Radio Metropole in French 1245 GMT 1 Dec 95

[From "The Morning Newscast" — passages within slantlines recorded in Creole]

[FBIS Translated Text] [Announcer Clarens Renois] We will begin this newscast with politics and the statements of President Jean-Bertrand Aristide. No more uncertainty or questions on the intentions of the Haitian head of state. Aristide has solemnly reaffirmed that he will give up power on 7 February 1996. There had been doubts regarding the president's wish. After he reassured the international community and — in particular — the United States, Jean-Bertrand Aristide met with the national and international press yesterday for this sentence that reassures everybody: I am leaving on 7 February 1996. Let us listen to Rotschild.

[Rotschild Francois, Jr.] As you say, there are no more doubts. President Aristide will leave power on the scheduled date. So, on next 7 February, a new president should take office. The head of state officially confirmed it on 30 November while pointing out that he had always promised to respect the Constitution.

[Aristide] /I have done it so often that I have no problem telling you: yes. In the Haitian family there are people who think elections are the best thing. Similarly, in the Haitian family there are people who think that demanding three years is justice. When you come to the Lavalas family, you find exactly the same situation; what is my role? My role, as I already said, is to make all I can to prevent our country from being divided into two camps with a group asking for three years and another group asking for elections and fighting each other. Communion, unity, and union is strength, are what we need to keep developing democracy./

[Francois] As regards the 17 December ballot, President Aristide said that so far he is satisfied with the unfolding of the process. About the 14 candidates involved in the electoral race, President Aristide was careful not to state his formal support to any of them.

[Aristide] /While sitting around the table, I will keep supporting all candidates so that all of them can feel that I am their president./

[Francois] Concerning the privatization of the state-owned enterprises and the economic reforms, President Aristide explained that some international partners did not respect their commitments. He talked about the program of creation of jobs which has not been set in

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

motion due to the freezing of some funds. The head of state remained very careful as regards privatization.

[Aristide] /Since I returned on 15 October 1994, very often you might have heard: If you do not sign for privatization, you will lose the chance to be developed economically. Really! When you have a head over your neck, you cannot be deceived. When you are clever, you defend the interests of your country very well without letting anybody take the moon for cheese. You respect everybody, you are not afraid of anybody and, on that score, you know it is the interests of your country that you are defending while letting the other partner see his interests as well because this is the dynamics of the game. So, on the whole, I believe it is possible for us to save our country economically. I believe that it is important that now each Haitian without distinction remembers how important he or she is to Haiti. The biggest wealth of Haiti are the Haitians. This is why, as the head of state of each Haitian, when I see that there are Haitians who are obliged to become boat people because they are angry, because they do not find a job, when I see how the light of the promises of money zigzags before us, I feel that the hope the Haitians must have in their country which is called Haiti depends very much on what we want to do as Haitians in 1995. I have said it, I am saying it again: it is possible for us to save Haiti economically. We will go from misery to poverty with dignity. Even though the people say there is a second embargo because they see that hunger is causing troubles, I understand that and I agree with them, but I also say there is a second possibility for us after the coup d'etat to take the chance that was passing. It is not too late. It is a challenge that we can take up and I say that we have worked so many wonders in history that we can take up this (?challenge) together provided that we agree on the basic principles that we just tackled./

[Francois] Finally, President Aristide evoked his upcoming wedding. He did not want to reveal the name of his future spouse during this interview with the Haitian press.

[Aristide] /I cannot tell you her name, but as you are a journalist, you can inquire. As regards a date, I do not yet have one. When I have one, I will tell you./

[Francois] President Aristide's close friends nave informed that he is allegedly going to marry Miss Mildred Trouillot, an American-Haitian jurist. Miss Trouillot worked with President Aristide during his exile in Washington. Finally, after 7 February 1996 the president has proposed to remain in the country where he is going to write his memoirs, sharing thus the experience of the five years he spent in power.

Aristide Interviewed on Plan To Relinquish Power

PA0312035395 Port-au-Prince LIBETE in Creole 29 Nov-5 Dec 95 pp 2-3

[Interview with President Jean-Bertrand Aristide by unidentified reporter on 27 November; place not given; quotations marks as received]

[FBIS Translated Text] On Friday, 24 November, after the head of state received the resolution of the National Dialogue at the National Palace, there was a great deal of worry and confusion in everybody's mind and even the international community's mind. Nobody then managed to clearly understand whether President Aristide was supporting the presidential elections of 17 December or whether he had changed his mind in order to recover the three years he spent in exile. This is one of the major reasons why the newspaper LIBETE held an interview with President Aristide. But we have to point out that we have been taking steps aimed at getting this interview for 15 days. To put it plainly, this means it is not the Americans who put pressure on us for us to get this interview, as some people would like to say.

Anyway, this interview allows everybody to know that President Aristide has kept his word. This means he is going to relinquish power on 7 February 1996. We hope the other subjects such as disarmament, Mr. Aristide's activities after 7 February 1996, and so on that we discussed with the president will interest you. Good reading:

[LIBETE] The National Dialogue has reached an end. The results were given to you on Friday, 24 November. But there are people who say you did not clearly answer the question about your three years in exile. Can you clearly answer today whether you are for serving for three more years or whether you support the elections?

[Aristide] The best answer I could give you is to publish what I said last Friday. (look at the most important excerpts on page 3 on the right side)

[LIBETE] Exactly, this is where the confusion lies. Radio Haiti Inter says: You are dancing an "artistic yanvalou" [voodoo dance rhythm]. The people do not yet know your position, whether you would like to please the people's organizations and, at the same time, keep to the idea that there should be elections. But for many people, this is not yet clear.

[Aristide] I am encouraging you to publish most of what I said last Friday, because what I am going to tell you is not different from what I said then. What is more important to me is to prevent people from being divided into two camps: one camp that wants three more years and one camp that wants elections. Once we agree on

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

a dialogue between us with respect to everyone's rights while we are moving toward elections, we will respect the people's right to say they prefer the three years, and then, this respect will allow us to remain united to save this country. This is what is more important.

[LIBETE] We are 20 days from the elections. Whether you like it or not, when you speak clearly, people will be disappointed. If you say three years, there are people who will be disappointed. If you say there will be elections, the supporters of serving the three years will be disappointed.

[Aristide] Who is more important? Myself or the Haitian people? It is the Haitian people. The Haitian people have the right to say what they think is better. As for me, it is my duty to respect the Constitution, to respect the Haitian people, and to cooperate with them while we are moving in dialogue so that we do not listen to only one group.

[LIBETE] About the question of national dialogue, they gave the results last Friday. What is your opinion of the question of the three remaining years, on the question of selling state-owned enterprises, and so on?

[Aristide] What I am going to tell you is a repetition of what I said last Friday. I weighed each word I used. We have a country that is being weighed down by the high cost of living and where weapons still make blood flow in spite of the fact that we broke up the Army. The people who would like to have a job cannot yet get one because those who could create jobs have not yet done so. How can we manage to fight the high cost of living and weapons that make blood flow without facilitating a dialogue that must be continued throughout the country? For example, in the resolution that came out of the national dialogue, the people insisted on the need to clean up public offices, for land reform, and to protect our culture. My role is to listen to them, to respect them, and to encourage all concerned sectors to talk about what I think is necessary when there are big problems so they are not resolved with weapons. By the way, they are never settled by weapons, as is revealed by the September 1991 coup d'etat.

[LIBETE] Concerning the national dialogue, not only are there many people who say it came too late, but there are many sectors that did not participate in it. On Tuesday [21 November], for instance, there were people's organization members who booed some members of other sectors. They were intimidated and did not even show up. So, the popular sector was in the majority in this dialogue. What do you think?

[Aristide] This is why the dialogue must continue. The rich can talk about this experience in their living room. The poor can do the same in their homes. The organizations and different groups can continue to meet for dialogue on the big problems the country is facing. It is not an experience that begins in the morning and that ends in the afternoon. It is an experience that continues every day because we do not have a democratic tradition used to making us sit down with different sectors in front of the problems so we can look for the solution together. Disagreements and inciting fighting prevent us from settling the problems with dialogue.

[LIBETE] In other countries like the United States and France, Reagan supported Bush before he left the presidency, Mitterrand supported Jospin. It is normal that they support the people who have the same opinions as them. As for you, can you clearly say you are going to support Rene Preval?

[Aristide] Wait, look, observe, and we will see.

[LIBETE] Does that mean the time has not yet come?

[Aristide] That means: Wait, look, observe, and we will see.

[LIBETE] You carry on with the "artistic yanvalou." There is a question of time that is being played out. Many of the organizations that want three more years are not yet interested in elections. Do you not think that while you are waiting, looking, and observing, the candidate you would like to support risks going to the second round? Do you not believe that might decrease the strength of the government?

[Aristide] There are people who suffered very much from the coup d'etat. When they show their sufferings in what they are saying, the biggest problem is if they feel that we do not hear them or we do not care much about what they are saying. This is why I have taken many precautions to live in communion with them. This does not mean I have the solution in my pocket. The people are hungry, they are not yet working, they have not yet felt their demands being satisfied. For example, when you take the people who beat them or killed their relatives, while the Justice Department — because it does not work properly — has not yet managed to arrest those people, it does not give the victims satisfaction. There are many frustrations. I would really like to give the people satisfaction, but I cannot do it in just any old manner. As I am used to saying, the country is like a glass that fell and shattered; we are just putting the pieces together. When I listen to what they tell me, they see that I understand them, and it is already a step in the right direction. It is this capacity to listen with respect that will allow them to wait until I tell them to turn right or left and then do so. They will feel that it is better that I and they turn left or right or move at a speed of four

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

miles an hour or 40 miles an hour. By the way, this is the experience we have had for much of the time. Why should we not continue doing it at this time? I am not worried about that.

[LIBETE] President Aristide, it seems that a portion of the international community did not agree with the watchword of total, complete, and general disarmament you launched at the Port-au-Prince cathedral. What can you say about that?

[Aristide] Two things: Let us make a brief theological consideration and then we will make a political consideration. If Jesus was so angry — when he entered the temple — that he took up a whip, turned over the tables, and talked harshly to the hypocrites, all the more reason for us to do so who are Jesus' servants. We just have to let his Spirit guide us so we can obey him. The more I pray, the more I believe. It is the same Holy Spirit who speaks in Haiti, in the Haitian people so the truth can chase darkness away. We must let this Spirit guide us on the political level as well. In this sense, I am asking myself a question, and I am going to answer it. Who is leading Haiti? Is it us Haitians or the international community? No, we are a free, independent, and autonomous country. When we feel that what we are doing is correct in relation to our faith in God and that it is correct in relation to the provisions of the Constitution of our country, we do it. Then, everybody is compelled to respect what has been decided in accordance with our country's law and in accordance with our country's Constitution.

[LIBETE] Concerning the misdemeanors that happened in Cap-Haitien, it seems that there was a group who infiltrated the popular masses so they could break up a private radio station, the Catholic radio station, and search the archbishop's palace. Do you not think it is a serious incident at a moment when we have begun resuming normal relations with the Vatican as there is a new nuncio?

[Aristide] I talked to the nuncio after the incident. I also talked to several other monsignors in the Catholic Church. Normal relations always remain the same.

[LIBETE] This means they understand what happened in Cap-Haitien?

[Aristide] They understand that very well. When you know the number of weapons that the former military, the former attaches, and the other people who financed the coup d'etat have, you understand the weapons have not stopped existing just because you do not see them. Sometimes, when a snake hides in a hole, you are interested in seeing it show its head. Instead of staying in the hole and coming out at night, it is preferable that it shows up in the morning. We really regret the incidents that happened. But we are not responsible for the manipulations. The Haitian people and the police must manage to restore peace in this country. Is that because people are trying to spoil our disarmament? Yes! Is that because if we just said we have given up the disarmament policy people would not try to make disorder? No! In a way, the role of the government is to establish order where there was disorder. Whenever you are doing what the law asks you to do or what you believe is good according to the law, like disarmament, you must do it. If you find people who are trying to spoil it, you must try to prevent them from spoiling it. I am really happy to see the understanding of the monsignors of the Catholic Church in Haiti toward the government to prevent people from putting soil in the food.

[LIBETE] But President, do we have a well-calculated plan for disarmament?

[Aristide] It is so clear that we have a plan, I cannot tell you one more word about it.

[LIBETE] You just received Anthony Lake (President Clinton's national security adviser). Can you tell us something about that?

[Aristide] If the meeting took place in private for three hours, I do not choose to talk about what was said in it. But I can answer questions that are in connection with what I said before the meeting. I signed on behalf of the Haitian Government an agreement with the United Nations so we could make 15 October happen the way it happened. Our country is one of the founding members of the United Nations. We pay contributions to the United Nations. It is normal that we enjoy a certain number of services from the United Nations, such as what is being done within the scope of the implementation of Resolution 940. On that basis, everything is fine with us. On that basis, on 7 February my mandate will expire and theirs will expire as well [7 fevriye, m ap fini, yo menm tou, y ap fini]. This means once the agreement I signed with them is over I am no longer responsible.

I have not made any anti-constitutional promises to any foreigners. Everything I always say is in keeping with the Constitution of my country, and this is why I respect myself, the Haitian people, and the Constitution. Now, when foreigners respect my people, my country, and the Constitution, it is normal for us to find ourselves on the field called respect for all of us.

[LIBETE] You have announced that you are leaving on 7 February?

[Aristide] I do not think it is the first time you have heard me say that.

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

[LIBETE] No! With what feelings will you leave power? Satisfaction, worry, hope?

[Aristide] No matter where I am, I will always remain linked to the Haitian people so we can keep looking for the road to democracy. What does that mean? That means hunger is wreaking havoc in the country. We cannot eliminate hunger in one day. But we fight it every day. Those who feel nostalgia for dictatorship can let their frustrations drive them to come and bring disorder. I will always be linked to the Haitian people to stand in the way of all those who would like to make the country return to dictatorship. The women who cannot give satisfaction to their husbands because misery is wreaking havoc upon the home and the fathers who cannot make their children happy because they cannot get a job will need to find staunch citizens to get together to fight those calamities. You must not be linked to privileges, you must be linked to the Haitian people, to their demands. In this sense, no matter where you meet me, you will always find me with the Haitian people. I used to say: Instead of succeeding without the people, I prefer to fail with them, and there is no way for me to fail with them.

[LIBETE] After 7 February 1996, what will you do? Will you politicize? Will you write, as people say? Do intend to run again after five years?

[Aristide] I am quiet. I do what I am supposed to do, whenever there are sentiments, it is not me, it is the Haitian people and me, it is me and the Haitian people. In this sense, when I am supposed to play music, I will play music. When I am supposed to write, I will write. When I am supposed to read, I will read. When I am supposed to meet with people, I will meet with people. According to me, life is that.

[LIBETE] So, you are still in the "artistic yanvalou" mood?

[Aristide] When I am supposed to dance yanvalou, play music, compose on the yanvalou rhythm, on the yanvalou cadence, I will do so.

[LIBETE] President Aristide, in the national dialogue, the people asked you to do a cleanup, especially at the National Palace. The Port-au-Prince mayor just denounced some people in your entourage who are enjoying important privileges. Have you investigated these statements? Can you do cleanup in your entourage?

[Aristide] Two things: First, when somebody makes a big statement, the journalists must ask him for evidence before they give what he says much credence. Second, I am aware that there must be cleanup within the government administration and within the National Palace as well. This is not the first time I have talked about that. We do it with respect to everybody, so we do not fall either into gossip or unjustified accusations. I can give several examples:

1) If we appoint a former public service minister as general administrator of the National Palace, it is because we acknowledge that it is necessary for somebody who knows how to manage state affairs to help us bring more discipline and more order to the house.

2) I have for several months ordered that people not come here and go there in "TetBef" [recent models of Toyota jeeps reputed to be very expensive and a symbol of wealth] as advisers of the National Palace. This means I am enforcing more discipline so we can remain more faithful to the Haitian people. They are experiencing hunger and misery. We cannot let employees use vehicles that contrast with the misery of the people. This is not because they have pointed an accusing finger at the National Palace without proof. But it is because we know that we must do it better every day. This will continue to be done for a long time so we do not fall again into the situation we had before.

[LIBETE] President Aristide, one question on the police. You made the decision to break up the Haitian Army, which included many officers who were trained abroad and who gave us the results we have now. Is there not the danger of having a recurrence of this situation now that we have policemen who went to Missouri for training? We have a recent example in the most recent class. What is your opinion?

[Aristide] On 18 November, we insisted on a lot. I showed how we wanted a police force — in accordance with Article 269 of the Constitution — to serve and protect the population, but not a police force that would become another Haitian Army. As to the question of policemen who have gone to spend two months in Missouri, in the United States, I am reminding you that I made two conditions before I allowed that to happen. It was up to us, the Haitian Government, to choose those policemen. The second condition was for the government to send a Haitian delegation to stay with them 24 hours a day for the two months abroad, and that they remain in contact with us. You give us reports and tell us what kind of training the policemen are receiving. Given that the policemen are paid with funds coming from our taxes as Haitians, even though many Haitians have not yet paid taxes (as democracy moves forward, they must manage to pay taxes), it is normal that each Haitian sees to it that his money does not go and fall into the pocket of someone who has come to beat him. In this sense, we will keep seeing to it that the policemen do not become another Haitian Army. Last week, I met

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

here with a delegation from the sixth class of policemen who were graduated on Saturday [24 November] so I could see what their problem is. "Babies who do not cry do not need to be breast-fed." It was a nice meeting, which allowed us to find a sweet solution without being obliged to be in big trouble. Similarly, I met with the police officials including the state justice secretary, the general director, and so on. I am going to make changes so the police corps can work as provided for by the law and as demanded by the Haitian people. The Haitian people also must keep their eyes open so as to see what kind of services the policemen are giving them, so they can find solutions in proper dialogue with the policemen.

May I digress for a moment? In the time of slavery, the colons used to beat our ancestors with whips. They beat them to make them work. They beat them to make them obey. They beat them and treated them like animals, whereas it was a relationship between humans. Now, when you take little children who play the role of servants [Ti Sentaniz yo], it is the same slavery. They strike them with slippers, slap their faces, and use whips and sticks. When you go to school, you see teachers beating children. Sometimes, they even work off their own frustrations on the children when they beat them under the pretext that they do not know their lessons. Slaps in the face are used in the settlement of scores between wives and husbands. When you take the Haitian Army, they beat people until they kill them. What I am telling you here is in connection with a few experiences I have had as head of state. We must cultivate dialogue, just as we cultivate food in gardens. We must break with the tradition of torture and destruction to enter into a civilization of respect and tolerance. I am not talking about overindulgence. When they let the criminals move without the rope of justice around their neck, that is overindulgence. But two democrats who want the good of the country are not obliged to see everything exactly the same way, that is tolerance.

[LIBETE] The fifth anniversary of LIBETE is 29 November 1995. Do you have a message for our readers?

[Aristide] It is a great day. It reminds us of Ruelle Vaillant [where voters were slaughtered on 29 November 1987]. Allow me first to thank the newspaper LIBETE, especially Father Jean-Yves Ifye. I thank newspaper LIBETE in my name for what it has brought to me as the freshness, the truth, and the light of freedom when I read it. It reminds me of the newspaper "SEL" that the Spiritain fathers and Father Jean-Yves set up during the time of the church. [as published] It is also where I learned about a lot of truth in Haiti — if you except the newspaper "BON NOUVEL" — it was not easy to find a newspaper in Creole to tell the truth. It is with much respect and admiration that I regard the Spiritain fathers and one of their children whose name is the newspaper LIBETE. I take this opportunity to thank the newspaper LIBETE in the name of the Haitian people, because almost 85 percent of our people do not know how to read, do not know how to write. But it is a chance, a blessing for the few ones who read Creole when they can find the newspaper LIBETE, because that allows them to find reliable information that helps our deliverance experience go better. As the anniversary is coming, I take the opportunity to wish for us to really live in freedom. The 29 November 1987 event was a death experience linked to slavery. I remember that at that time there were politicians who used to say they do not have political am... am... ambition (newspaper's note: allusion to General Namphy) [as published], and then we saw that they led us to the slaughter of Ruelle Vaillant because of their own political ambitions. Jean-Bertrand Aristide's ambition is to serve the Haitian people, to accompany them, to respect them, and to help them so that wherever they pass they can feel that he is linked to the Haitian people. This means when elections are going to be held on 17 December, I must accompany them, not only as head of state but as a citizen who respects their wish. When — in the meantime — there are people who say they will not give in to the coup d'etat and that they cannot lose the three years, I must listen to those people with much respect so they never have the impression that I ignore them, that I do not understand them. And this is what, as I said last Friday, will prevent us from falling into a fight between two camps. But we remain united in dialogue and respect so we can continue together on the road through disarmament. Will the newspaper LIBETE accompany the people on this road? Yes, it will accompany them; it has already done a lot. And it is with much admiration that not only do I thank you but also that I hope you will give me the right to congratulate you, because I respect the independent press, the free press. I wish the newspaper LIBETE to spread the light of freedom, to stand up as an arrow of the freedom palm. I will finish by telling those who were victims when they were selling the newspaper LIBETE, their parents, and their friends that I cannot forget them because they suffered as martyrs of the truth in the country, especially during the three years of coup d'etat.

[LIBETE] Thank you very much, President Aristide!

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

President Urges 'Stiffer Penalties' for Money Launderers

PA0112155795 Mexico City XEW Television Network in Spanish 0400 GMT 1 Dec 95

[From the "24 Hours" newscast]

[FBIS Translated Text] Stiffer penalties will be applied to money launderers, those who sell inhalants to children, and those who damage oil or electric energy installations in Mexico.

On Thursday, President Ernesto Zedillo sent Congress a proposal to combat money laundering by amending the Penal Code. If passed, the proposal will make it even more difficult to launder drug trafficking money. In addition, the Attorney General's Office and the Public Finance Secretariat will have more leeway to prosecute this crime.

At present, the Penal Code does not punish the illegal use of substances and chemicals to prepare narcotics, nor does it punish the sale of inhalants. The executive's proposal intends to fill this gap and regulate the sale of inhalants. The proposal provides for an additional penalty on those who sell these substances to minors.

The Penal Code amendments proposed by Zedillo include stiffer penalties on kidnappers and the perpetrators of other crimes against personal freedom. The proposal is part of a government strategy that includes fighting organized crime. The importance of oil and solid, liquid, and gaseous carbons and the national electric system has been taken into consideration by proposing to define specifically as illegal actions damage inflicted on the oil and electric energy's installations and equipment.

President Tours Chiapas on Eve of Anniversary in Office

PA0112171595 Mexico City XEW Television Network in Spanish 0400 GMT 1 Dec 95

[From the "24 Hours" newscast; passages within quotation marks recorded]

[FBIS Translated Text] Hours before observing his first year in office, President Ernesto Zedillo and the first lady spent the night in Tuxtla Gutierrez and today toured various parts of Chiapas State.

In one year, conditions and the normal life atmosphere in Chiapas seem to have changed radically, because the president was able to attend his first public event today in Tenejapa, a municipality that is very close to San Andres Larrainzar and San Cristobal de las Casas.

President Zedillo's tour of Chiapas today was intense. Early in the morning he was in Tenejapa Municipality in Altos de Chiapas. There he listened to the requests of almost a dozen Indian community representatives. Tojoloval representative Maria Roselia Jimenez requested that the Indian communities be given an opportunity to become active in the country's development. Another speaker was Javier Toledo, an Indian representative and president of the Aric [Rural Association of Community Interest].

Toledo said: "Living in the ravines of the Lacandona jungle, currently known as a war zone, are thousands of Indian peasant families, most of them from (Nehuatzental), who due to the armed uprising on 1 January 1994, have experienced a worsening of their economic, political, and social situations."

President Zedillo told them that peace is being restored in Chiapas and that in the coming months, a final and definitive agreement may be reached because there is no good reason not to. The president said that Indian people are the ones most aware of their problems and, therefore, they are the ones who can propose the best solutions. He urged them on as follows:

"... to dialogue, work, and reach agreements. This can be done and I am certain that we will do it."

Zedillo also informed the Indian communities that if the House passes the disbursement law, which is currently being discussed, in 1996 Chiapas State will be the first state to be channeled public investment funds. He added the following:

"I would like to tell you that my commitment to Chiapas is not a one-year commitment. In my case, it is a commitment that will last throughout my six—year term."

From Tenejapa, President Zedillo traveled to Mitontic Municipality where he inaugurated a rural clinic and symbolically inaugurated another 42 medical centers and a hospital.

Later on, in Tuxtla Gutierrez, Zedillo headed a meeting on democratic development and municipal strengthening and signed the New Federalism agreement. He said that in the previous elections Chiapas had taught Mexico a great lesson; the lesson of democracy, participation, and legality.

To conclude, the president attended an event held by the Alliance for Chiapas' Economic Recovery, which has the support of the Chiapas Fund, to which respected Mexican businessmen have contributed with investments. At this event, only hours before marking his first year in office, the president said the following.

"United, we have already defeated the causes of the financial crisis; united, we will now defeat the effects of this financial crisis."

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

After the event, the president had lunch with acting Chiapas Governor Julio Cesar Luis Ferro and later flew back to Mexico City, arriving at approximately 1900.

President States Intent To Fight Corruption, Impunity

PA0212223195 Mexico City NOTIMEX in Spanish 2115 GMT 29 Nov 95

[FBIS Translated Text] Mexico City, 29 Nov [NOTIMEX] — President Ernesto Zedillo said today that his administration, in response to social demands, will conduct a frontal and energetic attack against corruption and impunity in the country through the Federation's Superior Judge Advocacy's Office.

"Society demands clear accounts from all its servants; it legally and justifiably demands institutions and instruments that will guarantee an upright, efficient government and an honest and hardworking public service," the president told Mexican businessmen.

During a presentation of the Mexican Council of Businessmen's [CMHN] Investment Program for 1996, the president said that a balance between the government powers or the strengthening of a state of law implies rendering clear accounts.

Tuesday night, Zedillo sent Congress a bill proposing the creation of the Federation's Superior Judge Advocacy's Office, which will be autonomous and which will supervise the correct use of state funds.

President Zedillo explained that the proposal for constitutional reforms to create this new institution requires carrying out profound changes in the system that controls and supervises the federal government's actions.

"This action pursues changes which will provide more effective control mechanisms regarding the correct, honest, and efficient use of the funds which society provides the federal government," Zedillo said.

Zedillo added that this effort constitutes "a new step in the fight against the corruption and impunity that harm and anger Mexicans," and remarked that it will enable the country "to make progress regarding democratic openness and the strengthening of honest and efficient public service."

During his meeting with the businessmen, Zedillo was briefed about the decision made by the Mexican Council of Businessmen to implement an investment program for $6.2 billion in 1996 to support the country's economic development.

The president conveyed his gratitude to this commitment, which he said will help revitalize the domestic manufacturing sector.

He emphasized that the strategy of the Alliance for Economic Recovery, signed in October, proposes promoting private investment, consolidating and boosting public investment, and reversing the decline in private consumption.

These four factors will become the basis for economic recovery and employment as of 1996, since there is a determination for private investment to assert its role in promoting economic growth and generating more and better jobs, he explained.

Official: 1995 Private Investment Drops 25 Percent

PA0212222095 Mexico City NOTIMEX in Spanish 0022 GMT 30 Nov 95

[FBIS Translated Text] Mexico City, 29 Nov (NOTIMEX) — Thus far this year, private investment in Mexico has registered a 25-percent drop, in real terms, Finance Secretary Guillermo Ortiz Martinez stated today.

At the Los Pinos presidential residence, where earlier the Mexican Council of Businessmen announced an investment of $6.2 billion for 1996, the official said that this year "has been very difficult" and that he is confident that the next one will be better.

"According to domestic projections, private investment is dropping 25 percent, in real terms, which indicates that this year has been a very difficult one, and we hope next year will be much better," Ortiz said in statement to the press.

Ortiz admitted that private investment experienced a "very sharp" decline, although he believes the announcement made by the private sector on Wednesday on new investments will promote the flow of capital into the country.

Meanwhile, Labor and Social Welfare Secretary Javier Bonilla Garcia described the announcement as a very positive sign, but added that he did not know the effects these investments might have on the generation of jobs.

"It is not possible to know yet how many jobs will be created in the entire economy. We must see the direct and indirect effects of these investments; how things develop over time; and gradually assess the results," he pointed out.

Concerning unemployment, Bonilla Garcia noted that from January to July, the number of permanent Social Security members fell by an average of 70,000 people per month. In August and September, the rate came to a stop, and in October, 75,000 people became Social Security members, he added.

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

These figures show that the trend is reverting, but even with a 3-percent growth in GDP, estimated for 1996, it will be difficult to meet the social demand of creating one million jobs each year, he added.

"With 3-percent growth, as forecast for next year, it is likely that we will still not be able to meet this goal, and we will have to make an even greater effort in the coming years," Bonilla predicted.

Labor Sector Leader Views Decision on Minimum Wage

PA0312152495 Mexico City Radio Red Network in Spanish 0000 GMT 2 Dec 95

[Report by Gloria Hernandez; from "The Night Monitor" newscast]

[FBIS Translated Text] Labor and management sectors have accepted the government's recommendation to implement a 10-percent minimum wage increase 4 December. Private meetings lasted four hours and workers did not gain any additional benefits.

Basilio Gonzalez Nunez, president of the National Commission on Minimum Wages, explained that it was agreed that the three geographical areas would receive the following respective wage increases beginning Monday: 20.15 new pesos daily for area A, which includes the federal district and the metropolitan area, 18.70 new pesos for area B, and 17 new pesos for area C. Regarding minimum wages for professionals, Basilio Gonzalez pointed out that the Chamber of Deputies decided that these should increase by the same rate. Basilio Gonzalez pointed out that, upon making this wage revision, the Chamber of Deputies took into consideration the Technical Directorate's report that indicates that the most serious effects of the economic crisis are being overcome and that the economy has the basis for recovery.

[Begin Gonzalez recording] As we have pointed out in the whereas clauses, we are taking into consideration the need to recover the country's production infrastructure and not to worsen the employment situation. The council considered that it was more important to maintain wage levels because the worst wage and the worst choice is to be laid off. [end recording]

It is noteworthy that wage credits, whose objective is to increase workers' income, will continue as long as these policies remain valid, and as an obligation, will be disbursed in cash directly to workers, independent from general minimum wages.

Meanwhile, the labor sector expressed its dissatisfaction with the minimum wage increase. Adolfo Grau Trujillo, labor representative for the National Commission on Minimum Wages, said this increase brings back the same abnormal situation that happened after the first economic agreement, because inflation always defeats the increases. He downplayed the importance of this increase. He said the economic crisis is severe and contributes to a shaky environment, because the driving force of the domestic market is precisely purchasing power, which in turn is being reduced by the wages that have been approved. This was nothing more than an expression of dissatisfaction by labor sector representatives. However, it is a fact that the 10-percent increase will be implemented beginning next week.

Special Chamber Commission To Investigate Conasupo

PA0312182195 Mexico City XEW Television Network in Spanish 0400 GMT 30 Nov 95

[From the "24 Hours" newscast]

[FBIS Translated Text] Sixteen deputies will make up a special investigation commission that will audit Conasupo [National Company for Basic Commodities] and its affiliates to determine if there were any unlawful acts or deviations of funds to enrich Raul Salinas de Gortari or any other official.

The Internal Management Commission and leaders of the four legislative blocs of the Chamber of Deputies decided that the special commission will be formed by eight legislators from the PRI [Institutional Revolutionary Party], three from the PAN [National Action Party], two from the PRD [Party of the Democratic Revolution], one from the PT [Workers Party of Mexico], and Adolfo Aguilar Zinser from the Citizen's Legislative Group [Grupo Parlamentario Ciudadano]. There will an equal number of substitutes. They will begin working this Thursday to determine how they will carry out the investigation.

In an interview, Adolfo Aguilar Zinser explained that, among other agreements that have already been reached, they have determined the scope of the investigation:

[Begin Aguilar Zinser recording] We have absolute and full power to carry out this investigation. There are no restrictions. [end recording]

He said they will have the assistance of large technical resources such as auditors, attorneys, accountants, and specialists in Conasupo affairs who are capable of expediting the investigation. Aguilar Zinser was included in this special commission because he had proposed this investigation. PAN legislators gave him a place on the investigating commission because the Citizen's Legislative Group, which is made up of five legislators, has not received official recognition as a faction.

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

IMSS Director Views Social Security System Reforms

PA0312003795 Mexico City LA JORNADA in Spanish 27 Nov 95 p 15

[Report by Roberto Garduno Espinosa]

[FBIS Translated Text] Genaro Borrego Estrada, director general of the Mexican Social Security Institute (IMSS), stated that acknowledging every worker's right to own their pension fund "should not be interpreted as privatization but more of a socialization" of this institution's resources.

The official, designated by President Ernesto Zedillo to engineer the "unavoidable and urgent reforms" to the Social Security Law, reacted to mounting criticism from unions and political parties with respect to the alleged privatization of the IMSS.

He pointed out that with the passing of the reforms the institution's pension fund resources — estimated at 24 billion new pesos cumulative annually — would be "distributed among all pensioners, instead of it being put into a savings account, remaining idle, or assigned to other objectives as has already occurred in the past."

According to Borrego Estrada, the fund's resources would be used to promote the employment "which Mexico needs."

The objective of managing individual accounts for pensioners, Borrego pointed out, is intended to establish the foundations for the country's growth, since it is no longer possible to depend on savings from foreign investment "or whatever takes place in New York's financial markets."

During an interview granted to the television program *Our Time*, broadcast over Channel 11, the IMSS director general pointed out that changes to the pension system as proposed in the initiative to reform the Social Security Law will not affect workers.

"Their rights will continue to be protected with the current law or with the new one, whatever is more convenient at the given time. Pensioners will continue to receive their retirement transfers in cash as they are doing now, indexed to wages and through the IMSS, with the only difference that resources will now be contributed by the federal government."

With respect to the initiative, the IMSS official explained that another major feature refers to the creation of a new insurance designated as Household Health Insurance that will consist of "opening the institution's door so that it will gradually, and in accordance to guidelines, incorporate the population of independent workers [poblacion no asalariada] exclusively to take advantage of the medical service IMSS offers."

Genaro Borrego insisted that the controversial point of debate refers to the new pension system proposal and the subsequent creation of a Retirement Fund Management.

"I believe that at this moment and on many occasions we can classify criticism in two ways: Constructive criticism, which has a healthy content, but in which people object to situations because of a lack of information or because they have a strictly subjective approach to the problem. Then we have another type of criticism, which we could describe as a totally direct view, because the objective is an immediate attitude of creating a conflict in light of the IMSS reforms.

[Our Time] "What will the state's role in the social security system be like?

[Borrego] "There will be no new role for the state; it will continue to be the same as it has always been, since the origins of the state remain unchanged. The Mexican state's popular and social foundations continue unaltered, and its responsibility with respect to providing well-being, and economic, material, and social benefits to the population is unavoidable. On the contrary, by means of this reform, the state magnifies its commitment and direct participation by providing resources to support social security."

Genaro Borrego clarified that the initiative is not a neoliberal proposal, "this is not a proposal to privatize," because it proposes to engage in a commitment with the lowest economic sector of the population, based on a redistribution strategy that will guarantee the basic principles of Article 123 of the Constitution.

When asked about the hefty expenditures earmarked for personal allowances, the IMSS director answered that the fact that social security assigns 48 or 49 percent of its resources does not entail anything irregular, because the institution was created to provide personal service.

[Our Time] "How will resources for the pensions be negotiated?

[Borrego] "Essentially, this is the central point of the debates. The first thing that we must point out is that there is a conceptual difference between a disability, widowhood, or orphan's pension, and an old age or unemployment pension. The first three are subsidized through a common fund in which everyone contributes proportionally the same, and this is managed by the IMSS. However, the fact that we acknowledge that the worker is the sole and exclusive owner of his provisional resources, but subject to those earmarked for

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

invalidity and death allowances, should not be construed as privatization."

He also explained his position with respect to the changes that will take place if the initiative is approved.

"I believe this is all very clear and telling of the Mexican state's commitment with respect to social security. We are dealing with a reform which is the result of a joint proposal from those who contribute and from beneficiaries, through their representatives. We are dealing with strengthening and not weakening social security. We are dealing with expanding coverage and not dismantling it. It is not a matter of privatizing," he pointed out.

PRI, PRD, PAN Senators Condemn Corruption

PA0312213095 Mexico City XEW Television Network in Spanish 0400 GMT 29 Nov 95

[From the "24 Hours" newscast; passages with quotation marks are recorded]

[FBIS Translated Text] Legislators from the PRI [Institutional Revolutionary Party], the PRD [Party of the Democratic Revolution], and the PAN [National Action Party], during the Senate of the Republic's session, rejected and condemned any sort of corruption by public servants in Mexico in the wake of recent events that uncovered the riches of Raul Salinas de Gortari. They also agreed that there should be an in-depth investigation and that those who are guilty should be punished by the full force of the law.

PRI Senator Jose Murat was the first to bring up the Raul Salinas de Gortari affair. Murat said that legislation on the declaration of estate [declaracion patrimonial] and responsibilities of public servants will be reviewed in order to apportion responsibility in posts and individual economic interests. Murat added:

[Murat] "From this point of view, the proposal to establish in the Congress of the Union a higher comptroller's office to supervise executive branch actions and the proper use of public resources will be a decisive step in strengthening the legal state and the struggle against corruption."

PAN Senator Jose Angel Conchello spoke about the situation regarding former President Salinas' brother:

[Conchello] "We are going to ask the Attorney General's Office of the Republic [PGR] to find out whether he was aware of his brother's ill-gotten fortune. If he was aware, gentlemen, the classics say that whoever can avoid crime and does not do so is just as guilty as the person who commits the crime."

PRD Senator Heberto Castillo added:

[Castillo] "I believe Mr. Carlos Salinas, out of dignity and because of the respect he said he deserves when he went on his 24-hour hunger strike in Nuevo Leon, should come to Mexico on his own accord to render a statement to the PGR to see what he was doing when his brother was working in the posts to which Carlos appointed him."

Also participating in this topic were Senators Irma Serrano and Felix Salgado Macedonio. At the end of the meeting, in an interview, PRI Senator Fernando Solana, who was Foreign Relations Secretary in 1993 when Raul Salinas renewed his false passport, said:

[Solana] "Hundreds of thousands of passports are issued each year, and they are signed by the delegates and the deputy delegates. I have never signed a passport."

Senator Solana requested a full investigation into Mr. Raul Salinas' forged passport.

PRI Deputies Urges Expulsion of Salinas Brothers

PA0412003095 Mexico City LA JORNADA in Spanish 29 Nov 95 p 9

[Report by Elena Gallegos and Ismael Romero]

[FBIS Translated Text] PRI [Institutional Revolutionary Party] legislators decided yesterday to pass a bill for "all the damages" and, without further ado, demanded that the party leadership expel Carlos Salinas de Gortari, who for six years was considered "the country's foremost PRI member," from their ranks.

A total of 81 PRI deputies — comprising all the currents, from the renowned *dinos* to the newly formed *renos* — signed a letter yesterday demanding that their leaders expel the Salinas de Gortari brothers. Yes, the two brothers: Raul, for known reasons, and Carlos, for intuitive reasons.

The *Colosio supporters* are among the deputies who signed. But politicians with such disparate backgrounds as Augusto Gomez Villanueva or Jaime Martinez Veloz have also affixed their signatures to the complaint.

Gone are the times when PRI members, many of them furious today with the brothers, even accepted changing their declaration of rights in order to introduce the much talked about "social liberalism," with which the former president planned to turn history around and include himself among the great statesmen of this century.

For the fifth day in a row, the PRI members woke up to scandals stemming from the enormous fortune amassed by the eldest brother, his wielding of power, and his businesses.

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

Only one idea roamed through their heads: The urgency to distance themselves.

In the San Lazaro meeting room, without any great fanfare, the letter was passed around, which read: Their actions (of Raul and Carlos) are not characteristic of the party's active membership, and the recent incidents have forced us to ask the Honor and Justice Commission to analyze the expulsion of the Salinas de Gortari brothers according to statutory procedures.

The time was 1400. Just 30 minutes after the brief letter was passed around, pages and pages of signatures began pouring in, from every seat on the Chamber of Deputies: "Like a grocery store with a sale," one of the deputies said.

If many politicians signed the complaint "because our only political capital here is a clean name," Sebastian Lerdo de Tejada maintained, others seized the moment to settle old accounts.

At the podium, the opposition rushed to offer details of the corruption during the Salinas government and urged that measures be taken to punish "all" those responsible.

The opposition became impatient when the PRI members met the reproof with silence. In the meantime, the famous document came and went in a manila folder.

Who wrote the letter? Who is promoting it? The most disparate stories filled the hallways. Raul Ojeda, from the state of Tabasco, remarked: "Any responsible PRI member would have known what is stated there."

In the Chamber's traditional wing, the letter was met with fear. Many deputies apologized outright. It was impossible to even imagine that a former president would become the object of such derision.

Fearful, because discipline is discipline, other deputies assured it would not prosper. They said it would be stopped from "above." For a moment the rumor spread and it was taken for a fact that the letter against the Salinas brothers would be stopped.

It was not. At 1900, an envoy delivered the letter to the Insurgentes and Violeta street office.

Spokesman Ramiro Pineda also made it clear that leader Humberto Roque Villanueva was not involved "in that." True, but he also did nothing to prevent it. His colleagues already knew. He found out, of course, about what was going on and let it happen, let it pass.

Ignacio Ovalle Fernandez, who stood during the almost three hours of debate, was very nervous because this matter hits close to home (Raul was his *subordinate* in Conasupo [National Company for Basic Commodities]).

He confirmed that he was not aware of the text: "I do not know if I would have signed it...I do not know."

Others, such as Antonio Sanchez Gochicoa, defended it without hesitation: "Had the complaint been against Raul only, I would have believed it with no doubt, but I am not familiar with the evidence against Carlos."

Jorge Moreno Collado almost excused himself: "I did not do it because of my identity as an attorney. I believe that if the PRI expels Carlos Salinas de Gortari at this time, there will be a great deal of lynching. The Salinas brothers have not been tried yet."

Lerdo de Tejada, however, insisted that not all the members of the PRI can be judged the same way and stated that it is time that the party, his party, act more like a party and less like an appendix of the government.

The document continued to be circulated. No! No!, those fearful set it aside as if it burned them.

Where do I sign?, said others like Alejandro Rojas Diaz Duran, who made strong accusations against Carlos Salinas de Gortari from the podium.

Not to speak about Chiapas deputies, Tito Rubin and his legislative wing colleagues who also went as far as requesting a political trial against the former president. They didn't think twice. Right here!

Thus, sooner than its sponsors thought, names started to add up: Pindaro Uriostegui, Alfonso Molina Ruibal, Marisela Ceron, Maria Elena Irizar, Carmelo Soto, Rogelio Zamora, Efrain Leyva, Abel Sanchez, Samuel Palma, Hector Hugo Olivares Ventura, and many, many more until 81 signed.

The text was guarded like "gold dust." They barely let us read it. Ojeda and Palma explained that procedures should be followed and that the first to know about it would be Santiago Onate and the leaders of his party.

Samuel Palma was categorical: "Many of us are proud to be PRI members. We cannot tolerate such opprobrious acts; we are so offended."

Did you sign the letter?, they unexpectedly asked the most senior officer at the Chamber, Oaxaca Deputy Artemio Meixueiro.

Which one?, Eufemia's letter?, he replied and left before they got him involved in it.

PRI lawmakers decided to get even for all the offenses and, upon requesting that Carlos Salinas de Gortari be dismissed from the PRI, they put the former "number one PRI member of the country" through one of the worst humiliations.

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

"In politics there are no outstanding debts... sooner or later you must pay your dues," a lawmaker concluded.

'Liberty Referendum' Demands Change in Economic Course

PA0412002695 Mexico City LA JORNADA in Spanish 27 Nov 95 p 6

[Report by Alonso Urrutia]

[FBIS Translated Text] During a national assembly, the Liberty Referendum [Referendum de la Libertad] sponsors announced that the referendum received the support of 414,649 signatures. Likewise, they approved a political declaration questioning the failures of the economic policy and demanded a change in course in the neo-liberal policies that have made millions of people poor, have generated much unemployment, and have made thousands of small- and medium- sized businesses on the verge of bankruptcy.

Gathered in the capital's People's Theater [Teatro del Pueblo], the sponsoring organizations approved looking for new ways to exert pressure and mobilization in order to redirect economic measures to beat unemployment, to rescue the productive plant, and to emerge from the country's generalized economic recession.

When releasing the referendum results, it was mentioned that there were 414,649 supporters of the alternate program that was discussed with the people, which included among other aspects:

Redirecting public spending to face the most important social issues that are falling behind; fiscal reform; reviewing the Bank of Mexico's autonomy; encouraging a policy to lessen interest rates; truly increasing minimum wages to strengthen domestic markets; reviewing overdue portfolios by canceling overdue taxes; and putting into effect new industrial policy.

The results show there were three states that had an outstanding participation: Federal District with 93,407 signatures, Puebla 75,674, and Nuevo Leon 46,668. Other states with important participation were Guanajuato 20,880, Durango 20,700, and Mexico State 23,350.

When reading the political declaration, Raymundo Arvizu, from the ANIT [National Processing Industrialists Association], said that the people's capacity to influence the course of the economy, which is now subjected to instructions from international organizations, has suffered a gradual but accelerated decline.

He said that the referendum shows that the people do want an alternative to neo-liberal policies and the participation levels in the referendum makes it a "moral and political" obligation to modify the current policy.

He stressed that the Liberty Referendum does away with the arguments repeated mechanically by Finance Secretary Guillermo Ortiz to back his current policy. Arvizu said that Ortiz' appearance before the Chamber of Deputies was an obvious government discrediting campaign.

Arvizu said that claims by various sectors of the people affected by economic policies by different reasons cannot be ignored and now overall alternatives to the situation need to be discussed. "The country's economic life has gone awry, and this can be seen in numerous conflicts, which have caused demonstrations of discontent that go on indefinitely. Such is the case with organized debtors, persistent salary demands, and pensioners' claims."

He said that in the past few days reforms to the IMSS [Mexican Social Security Institute] have generated a new point of contention, in the same way the possible sale of the petrochemical plants has.

The speaker said that "financial and banking adjustments have thousands of small- and medium-sized businesses throughout the country on the verge of bankruptcy and in a matter of months unemployment has reached famine levels due to the brutal drop in basic foods consumption.

He stressed that the underlying factor in all the country's social struggles is the economic policy, and the time has arrived to discuss new proposals.

He spoke of the need to discuss new forms of mobilization to support the various outbreaks of discontent against economic policies, such as IMSS workers, where the intention is to practically privatize it; Route 100 workers, who defend public transportation and their source of work; or the peasants.

Shortly before, in an interview, Civic Alliance representative Enrique Calderon Alzati, said that the current policy has repeatedly been shown to be a failure. Nevertheless, the government persists in applying it, with required variations through increased actions when there are misadjustments, such as the current one.

Calderon Alzati said that the situation has already become a disaster, and it is necessary to seek the country's recovery and end the sellout the current federal government is making.

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

Article Examines Economy During President's 1st Year

PA0312231095 Mexico City EL FINANCIERO (ANALISIS Supplement) in Spanish 1 Dec 95 p 11A

[Article by Irma Contreras]

[FBIS Translated Text] For investors with variable income, President Ernesto Zedillo's first year of government has not been easy, as they had to withstand the lack of confidence regarding the country's economic prospects and a series of political conflicts, in addition to facing the financial chaos that recurrently plagued the local markets following the crisis.

The balance of the past 12 months showed a moderate gain of 3.76 percent, which is the lowest figure registered since 1987, after the leading indicator of the Mexican Securities Exchange [BMV] went from open hopelessness, in light of the abrupt fall in prices between December and February, to a slow recovery with two periods of strong growth (July and November).

The first months of stock activity were linked to the recommendations and disqualification [descalificacion] that different foreign brokerages, mainly U.S. and British, have issued on securities. Just in January and February, 30 percent of the prices of a sample of 80 stocks experienced sharp drops ranging between 70 and 80 percent.

Several stocks, including Aeromex C, Gfb C and A, Cemex C, Banpais, Dina, Gigante, Televisa, Ggmex, Desc, Tamsa, Moderna, Ica Serar, Iusacel, and Hyllsamx, among others, fell below the price at which they were placed on the market.

For the first time in the past eight years, the stock market suffered a shock as a result of Mexico's financial crisis, which, at times, even evoked the ghost of the 1987 financial crash when the index fell 44.1 percent (1,143 points) between December and February of this year.

In light of the sharp drop in the price of stocks and the frustrated attempts by the authorities to stop capital flight, it was necessary that the international monetary and financial authorities, jointly with the U.S. Government, intervene to gradually relieve investors.

However, the idea was clear: A country that was climbing in the ratings of "high-risk country," faced with payment pressures and in which the companies had debts in dollars, was not an attractive center for investment; much the contrary, investors ran the risk of never recovering their investment.

In the span ranging between December and February, the big traders of foreign funds reduced their holdings in Mexican currency between 80 and 90 percent to transfer their resources to the money market to take advantage of the attractive interest rates, thus causing a significant drop in the levels of capitalization in the stock market.

The lack of confidence and the high levels of uncertainty, wariness, and discouragement practically scared investors off for six months, even though the participation of some foreign funds in variable income was detected in the third month (March). The flow of resources took place in a careful and extremely selective manner, particularly in liquid stocks and a few securities that could not be refused as they were being placed at bargain prices.

In addition, not even the shock plan to rein in inflation, implemented by the government on 9 March, or the purchase recommendations by several U.S. brokerages worked an immediate effect on the investors, who continued to cautiously inject small amounts of resources in companies in the cement and construction sector.

After a phase of uncertainty (April, May, and June) with minimum price variations, a change in the perception of participants toward more optimistic economic prospects in Mexico for the second half of the year, the stabilization of the currency exchange, and the reduction in prime interest rates triggered a wave of purchases not only by speculators, but by the large holders of international funds. Attracted by the lower prices of stocks and the devaluation of the currency, the latter increased their participation considerably.

Thus, in less than two weeks (from 5 to 13 July), the leading indicator of the BMV registered an accrued gain of 17.8 percent, which equals an increase of 390.33 points.

However, when everything seemed to indicate that the stock market would continue gaining ground, the prices were again affected by rumors on the course of the Mexican economy, false conjectures, the resignation of officials, signs of political upheaval, and, to top it off, a presumed coup d'etat that again scared investors away.

To rein in speculation, the Zedillo administration authorized the Bank of Mexico to intervene in the exchange rate and approved its position in the economic policy guidelines for 1996.

The reaction by the investors of variable income was categorical once the peso recovered and prime and secondary interest rates decreased. In only 10 sessions — from 15 to 29 November — the index accumulated a higher yield than 22 percent. In this period, the increase registered by the BMV was determined, to a large extent, by the steady rise of the Dow Jones Industrial index.

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

Meanwhile, the underpricing of stocks moved investors from a pessimistic to an optimistic state, allowing the index to close November with a monthly yield of 16.81 percent (386.99 points).

However, in real terms, the stock market is accumulating a loss of 31.36 percent.

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

El Salvador

President Criticizes Union Leaders, Deputies

PA0212005495 San Salvador LA PRENSA GRAFICA in Spanish 29 Nov 95 p 5A

[Report by Alfredo Hernandez]

[FBIS Translated Text] President Armando Calderon Sol yesterday called union leaders and opposition deputies "bastards" and "pseudo-leftists" for denouncing abroad alleged labor violations in assembly plants operating in the country.

According to the president, these reports from the opposition may prompt the closure of some assembly plants which may leave hundreds of Salvadorans out of work.

"Why should they put a woman or a man who provides for her or his children out of work? ...they are bastards and traitors of the Salvadoran people, for they lend themselves to shut down sources of employment sources because of the political interest of causing a decline and destabilization," Calderon Sol stated.

In El Salvador there are approximately 200 assembly plants, of which 70 percent are Salvadoran and the others come from and operate with Asian, European, and U.S. capitals. This industry generates approximately 45,000 jobs and more than $400 million in foreign exchange, and became in a few years the second largest exporting sector, next to coffee.

The president explained that the fact he condemned the act "of treason" does not mean he defends those businessmen who do not respect labor laws in the country, for whom the law should be enforced.

Calderon Sol also condemned the fact "they are portraying El Salvador as an anachronistic country where all labor rights are not respected so that peoples like the U.S. people reject products made in El Salvador... this is a crime of treason," he remarked.

PNC Reorganization Under Study

The president also said yesterday that a study is under way at the PNC [National Civilian Police] to "reorganize" the country's public security agency, taking into consideration the latest recommendations made by Minusal [UN Mission in El Salvador] on the police.

On 23 November, the police violently ended the takeover of the installations of the Fund for the Disabled [Fondo de Proteccion de Lisiados] by a group of members of the Association of Former Combatants and War Victims, AEGES [Asociacion de Ex Combatientes y Victimas de Guerra], resulting in the death of one protester and seriously injuring another.

"It is vital for Salvadoran democracy and for the country's democratic future to have a strong, respected, esteemed, and feared public security corps," the president expressed.

According to the president, the duty of police cannot be downplayed in importance, especially when violations are being perpetrated against the liberties of other people, he noted.

"The government is obliged to make institutions and law prevail, although we condemn the use of violence and regret that common people let themselves be used by wicked people behind them," Calderon Sol emphasized.

Minusal presented an assessment of public security on 28 September, at the request of the very president, stating the lack of strategies and technical planning in this area. It recommended the creation of a "Public Security Council" which drafts plans.

The assessment report also states the need to improve quality in the actions of the police. It also notes several groups operate within the police outside of the structure established by the PNC Basic Law, following instructions from the Ministry of Public Security, the General Directorate, and the Operations Deputy Director's Office.

Defense Minister Denies Armed Forces Conspiring

PA0112121695 San Salvador EL DIARIO DE HOY in Spanish 30 Nov 95 p 49

[FBIS Translated Text] The Armed Forces "is not an institution that will conspire" against the government or destabilize the country, Defense Minister General Humberto Corado said yesterday, after rejecting authoritarianism as the solution to national problems.

Before justifying before the congressional Finance Commission the budget for 885 million colones assigned to defense for the next fiscal period, Corado said it is necessary that all sectors calm down in order to contribute to restore peace in this post-war period.

"If Salvadorans continue believing that through violence, excessive demands, or making our ideas prevail or imposing them on others we will make the country progress, we are very wrong," he said.

Gen. Corado said that the population must cooperate to make the institutions created through the peace agreements function. He noted, however, that no one should expect miracles. "No leader, no matter how authoritarian he may be, can solve the problems of poverty and lack of opportunities."

"We will only move forward if we have a national project that will unite all of us," he pointed out.

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

The Armed Forces is not an institution that will conspire, obstruct government activities, or destabilize the country. "We are bent on achieving a peaceful state. If we continue conspiring against each other or misinterpreting one another the future of El Salvador will be uncertain," he stressed.

Corado referred to a survey conducted by the Central American University (UCA). According to the survey, more than 75 percent of Salvadorans believe the country needs an authoritarian leader to put order and solve the most urgent problems.

The survey showed that the political crisis reflects a strong mistrust for state institutions as a result of constant confrontations and political polarization and a generalized sense of frustration among the population due to lack of solutions to national problems.

The poll, conducted among 1,222 people interviewed between 21 and 28 October, showed that three out of each four Salvadorans believe that the country needs a strong and determined man to put order in the country and solve the problems of poverty, unemployment, and crime.

Pressure Groups

According to Vice President Enrique Borgo Bustamante, pressure groups are more obvious each day. For example, AEGES [expansion unknown] does not legally exist, it is just a group of people acting under that name.

How far can the right to demonstrate and hold meetings go? The limit is not affecting the rights of others, he stressed. He added that in the case of street demonstrations, the right to free transit is violated.

Borgo Bustamante stressed that the mechanisms of dialogue and negotiations cannot be used with people who commit crimes, as the law must prevail.

Corado Not To 'Meddle' in U.S. Massacre Probe

PA0312202595 San Salvador LA PRENSA GRAFICA in Spanish 2 Dec 95 p 7a

[FBIS Translated Text] National Defense Minister General Carlos Humberto Corado said yesterday that he was unaware of reports by U.S. Republican Senator Richard Shelby who disclosed that the U.S. Government paid for "intelligence information" provided by two of the people involved in the Zona Rosa massacre in which 13 people perished.

According to international wire services reports, Senator Shelby said that the two men, allegedly involved in the murder of six U.S. citizens, could be living in the United States with Washington's blessings.

The Alabama senator said that the two Salvadorans are Gilberto Osorio, now a U.S. citizen living near San Francisco, and Pedro Antonio Andrade, who also lives in the United States, but his whereabouts are not known.

Shelby, together with Pennsylvania Republican Senator Arlen Specter and Nebraska Democratic Senator Robert Kerrey, have sent a letter to Secretary of State Warren Christopher denouncing this.

Gen. Corado said "I do not want to give an opinion on U.S. policies," and added that he feels "quite surprised" about this information because the people who took part in the massacre (the perpetrators) were prosecuted by a local court and others died in combat.

Gen. Corado, nevertheless, said that he sees no explanation to the fact that there could be persons identified as possible participants in the massacre living in California.

Regarding the alleged CIA link with the Salvadoran Government to gain access to confidential information, the official rejected this by arguing that the connection could be through INTERPOL because of dealings with mutual police aid in emergency cases (criminals, crimes).

"This is no secret, but I do not want to say there is something fraudulent or illegal in the handling of these cases," he said.

The minister likewise insisted that he cannot meddle in foreign policies, alluding to the alleged complicity of the U.S. Government protecting the people identified by the senators who have asked that the protection of two of the persons responsible for the Zona Rosa massacre be investigated.

He added that these are internal situations of the North American country, and thus, are not El Salvador's business, even though "the incident took place here."

Secretary of State Warren Christopher will decide in the next few days if Senator Shelby has a case to investigate the two masterminds of the massacre.

According to Shelby, these two men took part in the Zona Rosa attack in San Salvador in which four U.S. "marines" were killed together with two U.S. businessmen and seven Salvadorans.

One of the participants died on the spot, while the other three, who were members of the Farabundo Marti National Liberation Front, were arrested and sent to jail.

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

More on Massacre Probe

PA0412002395 San Salvador EL DIARIO DE HOY in Spanish 2 Dec 95 p 2A

[Report by Jaime Garcia]

[FBIS Translated Text] Authorities have said that the U.S. justice system will rule on the cases involving three Salvadoran nationals living in the United States. These Salvadoran nationals have been accused of political assassinations, which involve U.S. victims.

This was the answer given by government representatives who were asked yesterday about the stay in the United States of a former detective implicated in the death of former guerrilla Francisco Velis and two former rebels accused of slaying several U.S. civilians and military officers in El Salvador.

The deadline to extradite Carlos Romero Alfaro, alias "Sargento Zaldana," from the United States expired yesterday. However, according to statements by several judicial officials, the country has already complied with the necessary steps, and now all depends on the decision made by the U.S. judge assigned to the case.

According to Justice Minister Ruben Antonio Mejia Pena, the Second Criminal Court—where the case is being settled—recently disclosed that there have been several delays in the United States because of the appeals filed by Zaldana's defense attorneys.

"It is logical that the defense attorneys will do everything within their power to prevent the extradition. We hope the case will be happily resolved," Mejia Pena added.

Meanwhile, Defense Minister Corado stated that U.S. authorities will be responsible for determining the situation of the two Salvadorans living in that country implicated in the assassination of six U.S. and seven Salvadoran nationals.

International dispatches indicated that three U.S. senators have complained that two men who are presumably involved in the assassination of six U.S. nationals in El Salvador on 19 July 1985 might be living in the United States with the approval of the U.S. Government.

Republican Senator from Alabama Richard Shelby said that the two Salvadorans are Gilberto Osorio—currently, a U.S. citizen, who lives near San Francisco, and Pedro Antonio Andrade, who also lives in that country, but his domicile is not known for certain.

"This situation seems confusing to me because all the persons who were implicated and who were identified died in combat, while others were tried as the case followed its course," Corado remarked.

However, two of them—the U.S. residents—were released in an amnesty.

"I do not know why there are persons who were identified as presumed participants in the massacre who still continue to live in the United States, but I cannot add anything else because I am not very familiar with the case," Corado stressed.

In the meantime, Republican senators have stated that the said case proves the Salvadoran Government's link to the CIA.

Corado ruled out that statement and explained that intelligence agencies worldwide have connections with their counterparts in the countries in which they operate.

As an instance of the assistance similar institutions offer one another in relevant cases, the military chief mentioned the assistance among police forces worldwide.

Meanwhile, Justice Minister Ruben Mejia Pena categorically stated that none of the persons accused of participating in the so-called Zona Rosa Massacre has been imprisoned in any of the country's jails.

"None of the persons accused of this murder is serving a prison sentence in this country. There is only a minor who was implicated," Mejia Pena explained.

He added that the minor was tried and is currently confined to a hospital, where he is receiving psychiatric attention as he manifested mental disorders.

Body Formed To Avoid Crisis Between Police, Protesters

PA0212222195 San Salvador Canal Doce Television in Spanish 1900 GMT 1 Dec 95

[Report by Mario Jovel; from the "Up-To-Date Newscast"]

[FBIS Translated Text] Authorities from the Public Security Ministry and the Office of the Ombudsman for Human Rights signed an agreement in the presence of the Minusal [UN Mission in El Salvador] president to avoid a future crisis between protesters and the police.

Public Security Minister Hugo Barrera and Ombudswoman for Human Rights Victoria Marina de Aviles met at the Minusal facilities to agree on the creation of an ad hoc group, which will define the linking mechanisms and procedures to be followed by both institutions. The group is expected to draft a document outlining coordinated operations to handle situations like the one witnessed on Thursday between the demobilized combatants and the National Civilian Police [PNC] in a calm, peaceful, and legal manner.

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

[Begin recording] [Barrera] It is very important that the group be made up of people with the adequate criteria and necessary experience to draft this operational document, which we will subsequently sign and which will regulate the actions of the institutions represented here.

[Aviles] We believe that the work we are carrying out at present is the legacy both institutions will leave to Salvadoran society. A democratic system is measured by the type of police it has, and it is important not to cover up mistakes. We should try to be objective, impartial, and independent.

Barrera admitted that on previous occasions things have not turned out ideally; however, with Minusal President Ricardo Vigil's endorsement, both institutions pledged to improve the training of police members in techniques to solve and handle critical situations.

[Barrera] What we are seeking is a mechanism to reduce as much as possible police involvement in these types of situations. [end recording]

Barrera said Public Security Ministry Adviser Hector Francisco Bertrand Galindo and PNC Inspector General Victor Manuel Valle will represent the Ministry in the commission. The names of the representatives from the Ombudsman for Human Rights are not known yet.

Guatemala

President Justifies Strategic Affairs Secretariat

PA0212003495 Guatemala City PRENSA LIBRE in Spanish 28 Nov 95 p 14

[FBIS Translated Text] President Ramiro de Leon Carpio stated yesterday that the creation of the Strategic Affairs Secretariat of the Presidency responds to recommendations made by Monica Pinto, the expert human rights adviser for Guatemala. He also reported that Jose Maria Argueta will be in charge of this office.

The president held a news conference at the Las Naciones Hall of the El Dorado Hotel at 1030 to discuss the unconstitutionality case presented against the creation of this secretariat, which has temporarily been accepted by the Constitutionality Court, CC.

De Leon Carpio said the executive will respect the resolution although he *knows there is nothing unconstitutional about the Secretariat's operation. The objection is based on an aspect that is totally formal and that we will correct if the CC deems it necessary.*

He also emphasized that the establishment of the Secretariat responds to Dr. Monica Pinto's suggestion to eliminate what was previously known as the Archives as well as the intelligence operations furthered by the Presidential Command Staff.

He said that, for the first time in Guatemala's history, there is going to be an intelligence mechanism that covers not only politics, but that will allow the president and the government of Guatemala to have the necessary information to make important national decisions.

De Leon Carpio clarified that the Strategic Affairs Secretariat of the Presidency is not formed by members of the Command Staff of the Presidency but by professionals from different fields who will work under the orders of Mr. Argueta.

URNG on Signing Socioeconomic, Agrarian Accord

PA0212003395 Guatemala City Televisiete Television in Spanish 1900 GMT 1 Dec 95

[From the "Channel Seven News" newscast]

[FBIS Translated Text] The Guatemalan National Revolutionary Unity, URNG, is willing to sign the socioeconomic and agrarian accord with the official peace delegation of the government of President Ramiro de Leon Carpio.

This was stated by Commander Miguel Angel Sandoval, one of the foremost URNG leaders, who urged the government to act in a similar manner and warned he would make his proposal on the matter public knowledge. Sandoval responded to criticism of the guerrillas by the president, who said the guerrillas are allegedly using the past 12 November elections as a pretext to delay the signing of the agreement.

Honduras

Spokesman Denies Army Chief Involved in Alien-Smuggling

PA0112121595 Tegucigalpa EL PERIODICO DE HONDURAS in Spanish 30 Nov 95 p 3A

[All quotation marks as published]

[FBIS Translated Text] Tegucigalpa — Colonel Napoleon Santos Aguilar, Armed Forces spokesman, has said that the citizens' right to respond does not mean an intervention in the internal affairs of another state, after terming irresponsible the accusations against General Luis Alonso Discua Elvir, commander in chief of the Armed Forces.

Santos Aguilar stated it has become customary in Nicaragua to blame Honduras for problems that generally occur in that country.

He cited as example the alleged intervention of Carlos Montoya, Honduran ambassador to that nation, and the alleged plot to assassinate President Carlos Reina.

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

Commenting on the above, Santos Aguilar attributed it to the mercantilism in certain media and aspects of ideological nature.

Accusation Against Discua Elvir

The explanation from the military spokesman came after Nicaraguan newspaper EL NUEVO DIARIO, of leftist (Sandinist) leaning, accused Armed Forces Chief Gen. Discua Elvir of a clear intervention by demanding the resignation of commander Ana Isabel Morales, deputy immigration director, for opposing the entry of 10 Chinese citizens into Nicaragua.

The publication implicates the high ranking Honduran military leader with the smuggling of persons.

It regrets that "Government Minister Sergio Narvaez, his Deputy Minister Frank Cesar and other Foreign Ministry officials, were intimidated by the Honduran officer and began some sort of manhunt against commander Morales in order to please Discua Elvir".

It was learned the Nicaraguan official confronted the aforementioned pressure with strength, courage, and valor.

In spite of the fact commander Morales avoided making public statements on this case, the fact authorities were exerting pressure on her was known first.

For several weeks, the intention of the Honduran military officer was kept absolutely secret. We learned about this affair from a colleague who traveled abroad, the publication added.

Origin of the Intervention

On 28 October EL NUEVO DIARIO published a four-column front-page report called "Millions Obtained From Smuggling of Undocumented Aliens," revealing details of the entire international network that obtains large profits from smuggling persons wishing to reach the United States.

Most of the information in this report came from documents supplied by the Immigration and Aliens Directorate and, specifically, by commander Morales.

According to the Nicaraguan newspaper, "curiously one of the children of Discua Elvir was involved, in Nicaragua, in the smuggling of 10 Chinese citizens who traveled as illegal aliens last year.

On that occasion, Nicaraguan immigration officials decided to return the Asians which prompted Luis Alonso Discua, son of Gen. Discua Elvir, to make a big scene at the Sandino Airport," the paper stressed.

Gen. Discua Elvir Reacts

Gen. Discua Elvir, from his general headquarters, sent a letter to Government Minister Sergio Narvaez, to which EL NUEVO DIARIO gained access.

Discua Elvir denied he has any relationship with the smuggling of illegal aliens and said none of his children has ever been in Nicaragua.

Nicaragua

Assembly Leader Views Property Law, Telcor Privatization

PA0212024395 Managua National Assembly Press Release in Spanish 30 Nov 95

["Text" of speech by National Assembly President Luis Humberto Guzman "on the occasion of the signing of the law to privatize the Nicaraguan Telecommunications and Postal Services Institute" in Managua on 30 November]

[FBIS Translated Text] Mrs. President, National Assembly Board of Director colleagues, Mr. Cabinet Members, Monsignor Eddy Montenegro, Dear Friends:

I believe this is a day of great significance in the country's life and institutional life because the government — in its most extended expression, the executive branch and the National Assembly — has been able to take on two tremendously conflicting challenges, such as the property issue and the challenge related to the incorporation of private individuals into the telecommunications sector.

We can all still recall that it is the property issue that has most divided our society. In 1992 it unleashed a controversy of such magnitude that it caused a crisis in the heart of the National Assembly as relates to its relations with the executive branch. It also unleashed extraordinary acts of violence, yet it was indispensable for us to take on this problem and offer some type of solution.

At the National Assembly, we were aware that there would be no way for us to satisfy all parties involved, and that it was absolutely impossible for all parties taking part in a conflict of such magnitude as the property controversy to declare themselves satisfied after this law had been approved. Likewise, Telcor [Nicaraguan Telecommunications and Postal Services Institute] is also an extraordinarily conflicting issue.

Nicaragua is the first country in Central America that has been able to pass a law of this nature, and I have already mentioned that there are other countries that have not yet been able to solve this problem. Uruguay

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

was forced to organize a plebiscite to find an adequate solution. Fortunately, at the National Assembly, we were able to count on the courage and the determination of the majority of the bloc leaders who took on the responsibility and have been willing to pay the political cost in order to have these two laws sanctioned. I believe that it is a merit of the political class and the parliament's leadership for which the Nicaraguan society must be appreciative for the services that have been rendered to the country.

It would have been impossible to accomplish social peace without first having solved two crucial issues such as the property problem and the privatization of Telcor. Nicaragua has taken a major step, and I would also like to say that it is evidence of the parliament's capacity to cooperate clearly and decidedly with the executive branch in issues as sensitive as these that have occupied us here this morning.

In no way does this deny that there are other controversies, that there are obstacles, that there are other issues in which we disagree, but I believe it all constitutes part of everyday life.

I believe that the significant fact that must be stressed this morning, in addition to the valor and courage of the parliamentary leaders, refers to the circumstances under which Nicaragua, its government, its executive branch, and its Parliament have confronted its problems with boldness and resolution, two fundamental issues for the future of the country.

Thank you.

Political Groups Said 'Plotting' To Suspend Elections

PA0312192395 Managua EL SEMANARIO in Spanish 24-30 November 95 p 4

[Article by Walter Lacayo Guerra]

[FBIS Translated Text] Rumors that several political groups are plotting to suspend the October 1996 elections have continued to spread. The suspicions seem to be taking shape as a profound unwillingness on the part of the deputies to approve the Electoral Law becomes increasingly obvious.

The issue seems suspicious. U.S. Ambassador to Nicaragua John Maisto was the first one to suggest that such a plot actually exists. Maisto said that without elections, his country would suspend all types of aid to Nicaragua. In addition, Cardinal Miguel Obando y Bravo indicated during his past Sunday homily that it would be a serious mistake to suspend the electoral process, and that the people must have an opportunity to decide, via the suffrage, who will be the next leaders of the country. We are referring to two highly qualified persons, and not unreliable sources.

Why would the National Assembly and the executive branch negotiate the suspension of the elections? Only selfish interests outside any democratic attitude could explain this, which would not be strange in this "blessed" country.

In the early 1970's, the Nicaraguans became familiar with what a government junta who negotiated outside the laws meant for the country.

Some have argued that what we are now seeing is an attempt to repeat that situation.

Is perhaps a new "triumvirate" in store for Nicaragua? I wonder who the members will be. It is quite easy to imagine the names, but I do not believe the Nicaraguans will let it happen.

The deputies' terms will be over next year, and if they want to extend it, the only way to do it is by approving the Electoral Law speedily and honestly, and campaigning and performing good deeds so that the people will decide to reelect them. There is no other option.

Panama

President Withdraws Charges Against Paper

PA0212035095 Panama City Circuito RPC Television in Spanish 2300 GMT 29 Nov 95

[Report by Alexander Calderon; from the "RPC Television News" newscast]

[FBIS Translated Text] President Ernesto Perez Balladares' lawyer has requested the First Circuit District Attorney Office to file the slander and libel charges presented by the president against Maria Cristina Ozores, LA ESTRELLA DE PANAMA'S deputy director, at the beginning of the month.

[Begin Lawyer Luis Carlos Cabezas recording] The president of the Republic, for the sake of maintaining the climate of tolerance, consensus, and reconciliation among all the Panamanians, has decided to withdraw the charges.

On her part, the LA ESTRELLA DE PANAMA deputy director asserted that she hoped this decision will also mean a change in the government policy in regards to this newspaper.

[Ozores] I hope that now that he was withdrawn the charges, he will announce that he will give us publicity, equitably, similar to the one given to other media sources. Moreover, we would even be happier if he

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

returns the printing of the official gazette to us. Thank you.

[Calderon] How does the complaint presented before the Inter-American Press Association [IAPA] stand now?

[Ozores] The complaint presented to IAPA has nothing to do with this charge, which is based on an editorial published after the visit to Venezuela.

Also, opposition leaders visited the offices of LA ESTRELLA DE PANAMA to express their support to the media.

[Arnulfist Party member Julio Benedetti] The Arnulfist Party does not agree with what the president of the Republic has done against freedom of expression. I believe we are living in a democracy and that he has to hear the truth. He has to be told the truth. He should not expect to hear only what he wants to hear. [end recording]

President's Remarks on Postponing Base Talks Lauded

PA0212045995 Panama City EL SIGLO in Spanish 30 Nov 95 p 2

[From the "Forum" editorial column]

[FBIS Translated Text] In the geographic framework of the picturesque community of Boquete, in his native Chiriqui Province, Dr. Ernesto Perez Balladares has expressed, among other things, a concept that fills Panamanians with satisfaction. This pleases both those who today, alive, had harbored fears over the adoption of decisions contrary to the patriotic desire of the majority of our population and those who, from their tombs, feared that their efforts and sacrifices could fall through as a result of ill-intended appetites and unjustified fear. These appetites and fears are only entrenched in the spirit of those who place monetary interests before the elevated principles of nationalism without much noise, but without subservience.

President Perez Balladares stated that "we are in no hurry to negotiate an agreement on the permanence of U.S. military bases beyond the year 2000." He then added that "Panamanians must celebrate 1 January 2000 as the date of our third independence."

This is what the Panamanian people also feel. When that day comes, without the presence of any foreign soldier on the national territory, we will be living in the longed-for moment of our perfected independence. A petty way of thinking cannot destroy the foundations of the solid wall of idealism — a dream come true that day — that so long, so much effort, and so many lives have been consumed before the altar of the wounded fatherland, and on that day the wounds of more than 100 years will be cured; because on 28 November 1821 new bonds were developed, bonds which were strengthened rather than terminated in 1903. On behalf of the people, for whom it claims to speak, EL SIGLO newspaper expresses its satisfaction with these statements by the president and its confidence that, with his actions in the immediate future, he will make his current words good.

President Defends Economic Program

PA0212213495 Panama City Circuito RPC Television in Spanish 2300 GMT 1 Dec 95

[From the "RPC Television News"]

[FBIS Translated Text] President Ernesto Perez Balladares yesterday told RPC Television news director Lucas Aleman that his administration has made extraordinary progress in 15 months and his performance should not be judged based on the salary increase to the ministers. Today, in the second installment of the interview, Perez Balladares defends his economic program:

[Begin recording] [Perez Balladares] From 1990 to 1994, we recovered what we had lost from 1987 until 1990. It is much easier to recover lost ground than to grow on new ground. That is, the small stores that shut down from 1987 through 1989 reopened, the activities suspended during those years due to the crisis the country was experiencing were reactivated, but there was no real momentum for new things or an opening of new horizons. Therein lies real growth.

I assert this because, while there was significant nominal growth of 7 percent or 8 percent, no real decrease in unemployment was registered during that period. There was, thus, no progress. Ground lost from 1987 to 1990 was simply recovered.

Once that was recovered, we began to experience growth in 1994-95 but at lower, yet real, rates. In other words, this is real progress, 3 percent or 4 percent of real, not recovered, growth.

I also believe that such a growth rate is insufficient and that is why last year we made the effort to restructure the economy so that we may visualize new growth horizons on top of that restructuring in order to achieve higher growth rates. But I do not think it is beyond popular understanding that the only way to achieve more rapid growth is to grow in new markets. The only way we will achieve new markets is through exports. We must become efficient and competitive in order to export. Then we must start from square one by implementing a system that will allow the Panamanian economy to become efficient and competitive so we can open doors to new markets and attract investment to meet growth.

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

[Aleman] Will 1996 be the springboard for your administration?

[Perez Balladares] Your guess is as good as mine. I do not carry a crystal ball.

[Aleman] Colon Free Zone businessmen, however, have stated that your economic package has not helped them at all, and workers, in turn, have said that the labor code amendments have aggravated the unemployment situation in Panama. How do you respond to them?

[Perez Balladares] It is unfair because they know, and have stated publicly, that the law is not the real reason for the drop in sales due to the slowing or decline of the free zone. According to that law, you pay taxes if you perceive profits and experience commercial activity.

The real reason for the decline in the Free Zone is the sinking of the markets they serve. The businessmen, too, state the same thing; I do not intend to say they hide the fact. It is false, as well as unfair, to say that the Law on Generalization of Tax Incentives has caused a decline in the Free Zone.

[Aleman] On the other hand, the labor movement has stated that companies have sped up the firing of personnel due to the labor code amendments.

[Perez Balladares] Well, the principle behind the labor code amendments was to make the market flexible. It might have had an effect, although I doubt very much that the amendments caused any, because it still is quite costly to dismiss a worker, but as we achieve market integration and growth, the employer will be less apprehensive about hiring. I believe that the law makes both things, the hiring and firing of personnel, more flexible.

[Aleman] Your recent political speeches have sounded somewhat more radical with respect to the opposition. Do you still believe in consensus?

[Perez Balladares] Of course, absolutely. I do not feel that my political speech has changed either. On the contrary, I still feel that consensus is absolutely necessary. I think that we have achieved it to a high degree during these first few months, but it is not a matter that comes easy. We have to continue working on it. You can rest assured that I hold no ill-will toward the opposition. My criticism, in many instances, is simply taken wrong or out of context, but it tries to elicit a more positive contribution from the opposition and not only criticism for the sake of criticizing.

[Aleman] Are you expecting the reelection of the Democratic Revolutionary Party's current National Executive Committee during the party's national congress on 17 December?

[Perez Balladares] I have no doubt whatsoever. As we have done previously, we have a ticket. Look, I have no challenger for the first time since I have run for an elected post.

[Aleman] Your two undersecretaries will allegedly have challengers.

[Perez Balladares] Not unless they present a complete ticket. You have to present five names for there to be a challenger. The ticket must include the candidate for president, vice president, secretary general, and two undersecretaries.

[Aleman] Thank you, Mr. President. [end recording]

Communique Denies 'Rift' With Foreign Minister

PA0212213695 Panama City LA ESTRELLA DE PANAMA in Spanish 2 Dec 95 p 1

[FBIS Translated Text] The General Directorate of State Information informs the citizens that in the analysis of the topics regarding the exploratory talks with the United States, the inform-and-consult method will be employed so that different political, economic, and social sectors may contribute their viewpoints so as to achieve a broader national consensus.

The presidential office and the Foreign Ministry will carry out a joint effort to coordinate the commission that was designated for that purpose and the government's observations on this aspect of Panamanian-U.S. relations will be announced in due time.

Meanwhile, citizens are hereby advised to disregard the groundless statements on an alleged government rift regarding the issue of U.S. military installations. In this as well as in other international policy areas, the Presidency of the Republic and the Ministry of Foreign Relations act permanently in a coordinated manner and always observing the same national and international orientation. In this regard, the Panamanian Foreign Relations Ministry, presided over by Mr. Gabriel Lewis Galindo, will continue to receive clear-cut support from the Presidency in the effort to strengthen the country's international image and fulfill the national objectives of advancement and progress.

Foreign Minister Denies Division on Bases Issue

PA0112195995 Panama City TVN Television Network in Spanish 1730 GMT 1 Dec 95

[From the "TVN Midday News" newscast]

[FBIS Translated Text] Foreign Minister Gabriel Lewis Galindo has spoken about a meeting he held with representatives of the Panamanian private sector.

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

[Begin recording] [Lewis Galindo] Our meeting with representatives of the private sector — Conep [National Council of Private Enterprise] — yesterday was very interesting. They gave us their opinion on an issue that is very important to all Panamanians: Our future relations with the United States.

They gave us some interesting ideas. We agreed to maintain a permanent dialogue with them and to keep them informed about whatever is done in this field.

The Foreign Ministry has informed them that Ricardo Duran, director of the Promotion Commission [not further identified], will continuously report to them on the issue.

[Reporter] Is there any difference between the way the Foreign Ministry is treating the military bases issue and the way the president of the country sees it?

[Lewis Galindo] Absolutely not. The president directs foreign relations through the Foreign Ministry. Whatever the Foreign Ministry does has the concurrence of the president. Every day, he and I discuss all important issues related to the ministry I head. There is good communication between the president and myself. [end recording]

A communique issued by the Presidency of the Republic reports today, 1 December 1995, that the citizens are being asked to disregard unfounded statements about an alleged government division on the U.S. military bases issue.

In this, as in other foreign policy matters, the Presidency and the Foreign Ministry are acting in a permanently coordinated fashion, always maintaining the same national and international guidelines.

The Foreign Ministry, under the direction of Gabriel Lewis Galindo, will continue receiving firm support from the Office of the President to strengthen the country's international image and to fulfill all national objectives of development and progress.

ARI Administrator on Use of Reverted Areas

PA0112195395 Panama City Telemetro Television Network in Spanish 1200 GMT 1 Dec 95

[Interview with ARI General Administrator Nicolas Ardito Barletta by Dorita de Reyna at the Telemetro studios in Panama City on 1 December; from the "Morning Newscast" — recorded]

[FBIS Translated Text] [Reyna] Today, we have here in our studios ARI [Interoceanic Region Authority] General Administrator Dr. Nicolas Ardito Barletta. Welcome, Dr. Barletta.

[Ardito Barletta] Thank you very much, Dorita. I am very pleased to be here with you.

[Reyna] Thank you. Dr. Barletta, everyone believes that the ARI's plans are lagging far behind. How do you see this?

[Ardito Barletta] Ideally, the plans should have been fulfilled a year ago. However, we are still on time. In the last three months since I took over, work on the plans has begun, and they should be ready in 1996. Let us recall that the majority of the properties that will revert to Panama will do so between 1997 and 1999. Therefore, if the plans are fulfilled in 1996, we will still have time to make the best use of areas that revert to Panama between 1997 and 1999. At the same time, we are using existing studies — for example, in the port and industrial areas — to be able to begin projects in those areas that have already reverted to Panama.

This takes us to our priorities. This year, our priorities are: 1) to fulfill the plans; 2) to promote them inside and outside of the country, which we are currently doing to interest investors; 3) to implement approximately 15 projects that are already being developed; and 4) to initiate the necessary measures to protect the environment, especially in the Canal's watershed. We are working on this, and we are on time.

[Reyna] Do you believe that the presence of military bases has an influence on foreign investors' interest in Panama? That is, do you feel that their investment in the country is linked to the stay of the U.S. military bases in the country?

[Ardito Barletta] Dorita, the most important concerns of foreign investors coming to Panama are the conditions in Panama: Its political stability, competitive economic policy, rules of the game, seriousness in institutions, and training of people.

I would also like to add that the special relationship between the United States and Panama is positive and advantageous to foreign investors who want to come to Panama. That would be a positive factor. For example, if tomorrow the stay of two or three military bases were to be negotiated — and I am not the one to comment on these issues — that would be a positive factor, an advantageous factor, but not a necessary factor.

[Reyna] How are you going to be able to depoliticize the ARI issue? That is to say, that that region will be used for the tangible benefits of the entire country and that these are not to be viewed as political booty or as a way to please the lower classes or the powerful economic groups?

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

[Ardito Barletta] The most important thing is to allow every national sector to participate in the process taking place there and that everything we do here is honest and open to all sectors of society, because we are talking about national assets. This was possible in the past and should be possible in the future. I will remind you that back in the 1970's, when we were creating the international banking center in Panama, we obtained the consensus of all of the nation's sectors, because the center was so important for the future of the country that all sectors ought to have seen that is was done correctly. In this case, I feel confident that all sectors want to support it in the same way. This is the first point. Second, we should apply the laws and apply them correctly, so that everything is done honestly and with the full knowledge of everyone.

[Reyna] Mr. Barletta, when you mention the banking center, there was definitely a consensus at that time, but it was something that was going to be created. It did not exist, and there were no expectations before its creation. But, in the case of the reverted areas, all Panamanians feel they own a little of that area. There are so many expectations regarding this area, and there are so many illusions that this is what will generate economic growth for the country, that perhaps the expectations are different for each group. That is why I asked you how you will depoliticize this issue or how you will reconcile all these different groups with different interests so that you can continue with your task.

[Ardito Barletta] We must reach a consensus regarding our objectives in the use of the areas. We must reach a consensus regarding the criteria. For example, the economic criterion for the use of the areas, in my opinion, is that they must generate exports, because our economy needs them to grow. That will benefit the entire economy. Second, they must generate jobs, because that is the main problem for Panamanians. Third, they must foster the use of national raw materials, because that also has an impact on the entire economy. In addition to economic criteria, we have the urban criteria: That it allow a better development of Panama City and Colon to allow them to serve each sector better. Third [as heard], to make sure that the benefits from Canal activities go to all of the nation's sectors. Fourth, protection of the environment. We have to protect the Canal's watershed, because if we do not, the Canal will not be be able to operate. And fifth, protection of the Canal's capability to grow and to improve. If all the sectors approve and defend these opinions and objectives, and they are implemented in all the projects that may take place there, this will give us the basis for reaching consensus and for making the best use of the area.

[Reyna] Isn't there too much rhetoric around ARI? Aren't there too many national and international forums on this? Doesn't this create confusion? What do you think?

[Ardito Barletta] In general terms, forums are good, because in a democracy, they permit a broad dialogue with the participation of the various sectors, all sorts of questions arise, and many recommendations are very positive. Generally speaking, I believe forums in the country have been positive, because they allow us to focus on the reverted areas and to secure them.

[Reyna] Speaking about securing, sir, if a person or company were to be ready now to settle in or get established in the reverted areas, are you legally authorized to grant concessions immediately?

[Ardito Barletta] We do have legal authority to grant concessions and to rent reverted assets that can be put to use immediately. After the Legislative Assembly approves the General Plan for Use [Plan General de Uso], we will also have the legal authority to sell some of those assets based on criteria to be established.

I want to note that although we do have the authority to act, some of the existing procedures are very slow. With the approval of the cabinet and the Panama Canal Commission we are selling Cristobal School, in Colon. This school is in a free zone port area, and it is being sold for the port, commercial, and free zone facilities that that area provides. The money from that sale has already been allotted by the cabinet to the construction of the National University branch in Colon.

[Reyna] These projects will be concrete only when the Legislative Assembly approves the General Plan for the Use of the Land [Plan General para el Uso del Suelo] or are these two different matters?

[Ardito Barletta] ARI's current laws allow us to sell houses now under ARI administration. They also allow us to grant concessions and to rent them. We have this authority without the Legislative Assembly's approval of the plan.

[Reyna] This is about already-established assets, not land.

[Ardito Barletta] No. Land included. We can grant concessions and rent property. Once the Assembly approves the plan, we will continue having this authority.

[Reyna] What will happen if the assembly does not approve it? What will happen to all these projects?

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

[Ardito Barletta] Then ARI will not function. The ARI statutes have been approved by two assemblies. The General Plan for the Use establishes frameworks, criteria, evaluation methods, evaluations on what is suitable for ports, tourism, commerce, residential areas, and recreation areas. This is what the plan will produce. The plan stipulates that it must be approved by the Assembly. I am sure the Assembly will live up to its responsibilities.

[Reyna] From what you are telling me I can deduce that the final decision will be made by the Legislative Assembly.

[Ardito Barletta] The final decision on the plan.

[Reyna] Yes, but also on what happens next, because if the plan is not approved, the development plans cannot be implemented.

[Ardito Barletta] Imagining the worst — that the plan is not approved — we would still maintain our ability to grant concessions and rent reverted assets. For example, right now, our top priority is adequate use of Fort Davis and Fort Espinar, which were reverted in September, and to get ready for Fort Amador, which we will recover in October 1996.

The Colon area, on the shores of Lake Gatun, is a very beautiful residential area. We are working to turn into a new residential area. Houses will be sold in the next few weeks based on legal procedures. In Espinar there will be a Swiss hotel and tourism school that will set its campus there for the training of Latin Americans. We have reached an agreement with the governor of Colon, who has been responsible for the School of the Americas building and he has agreed on managing other office buildings and letting the School of the Americas serve as a hotel training center.

[Reyna] From what you have told us, it looks like ARI is working in a coordinated fashion and has made much progress. Why do the people think that nothing is being done, that the reverted areas talks are just a balloon that will never land. What has to be done to convince the people that things are working and that Panama sooner or later will see economic benefits?

[Ardito Barletta] I would say that informed people know we are working hard and in a coordinated and orderly fashion to reach objectives. This is why it is important to inform the people, and I am grateful for this opportunity to do so. Dorita, you and I know that the majority of the people believe something when they see it, when they seen plans turn into a hotel, an industrial park, a containers port. We must understand, however, that before a project is started, there is a process of planning, preparation, evaluation, and legal settlements before everything is ready.

[Reyna] You are correct in saying that common citizens such as myself tend not to believe unless we see things done now and yielding results, because we, too, for so many years, have heard so many things about fabulous projects that never materialize for whatever reason. But, I believe we are all very worried now because time is short.

[Ardito Barletta] Time has run out, and we want to convey the message that we are aware of the time factor and are working to produce concrete results. We are, therefore, sharing objective and precise information.

[Reyna] To conclude, I have a question not about the big projects, but a question that affects many needy people, the squatters who have settled in the reverted areas. Though it may seem that the Housing Ministry is responsible for removing them and doing something about them, the ARI is, somehow, also responsible about stepping up the process. What is being done to that effect?

[Ardito Barletta] We actually consider it a priority. I did not mention it at the beginning, but part of our mission is to ensure that all Panamanians share the benefits of the reverted areas. In that respect, we are tending to the squatters who settled in parts of the Arraijan District. We view it in the following manner: We have to protect the Panama Canal basin. We have to protect the Canal; that is priority one. It is, likewise, important to take care of these Panamanians, who are citizens like you and me and who migrated from the countryside to the city. We want to offer them, in an orderly manner, a place to live so they may partake in city life. The point there is to curb the illegal invasions, and we are doing that with several projects. At the same time, we want to establish, in coordination with the Housing Ministry, other areas where these squatters can settle and begin to partake in city life.

[Reyna] Mr. Ardito Barletta, thank you for granting us this interview. Things are clearer with everything you have shared with us about ARI. The Panamanians, however, will remain concerned until mid-1996, which is when you foresee that these projects will get started. In the meantime, Telemetro Television Network will be preparing for another interview once that phase is reached.

[Ardito Barletta] I appreciate this opportunity, Dorita. I appreciate Telemetro's concern, but I appreciate the public's concern even more because it is healthy. As long as the public's concern is sound, as long as the public wants things done correctly, wants information

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

and is receptive to the information, and is willing to participate by offering us its opinions and advise on how to do things better and avoid mistakes, its concern is legitimate, and I just ask that it be positive.

[Reyna] Our studios are always available to share with our viewers the questions of the Panamanians on the future of the reverted areas. Thank you.

Envoy Rules Out Exploratory Base Talks Before Year's End

PA0312194095 Panama City LA PRENSA in Spanish 1 Dec 95 p 2A

[Report by Manuel Alvarez Cedeno and Rolando Rodriguez B.]

[FBIS Translated Text] Foreign Minister Gabriel Lewis Galindo yesterday declared that no date has been set yet to begin exploratory talks with the United States on the prolongation of U.S. military presence in Panama beyond the year 2000 after the talks were suspended this past November.

Representatives of both countries should have met yesterday, Thursday, and today, Friday, to discuss the issue, but the conversations were suspended following the warning made by the United States that it would not pay a rent for the bases that would remain in Panama.

The foreign minister met yesterday with businessmen Victor Lewis, of the National Council of Private Enterprise (Conep), Juan Duarte, Juan Vallarino, Juan Kiener, and Victor Barrios to exchange ideas on the issue.

The United States has in Panama 10 defense sites and about 7,500 soldiers who should leave the country on 31 December 1999, in accordance with the 1977 Torrijos-Carter Treaties.

A Foreign Ministry news bulletin states that Lewis Galindo offered the businessmen a detailed report on the causes of the suspension of the exploratory talks.

The meeting with the businessmen is part of a program of meetings that the Perez Balladares administration will hold with different sectors of the country to analyze the bases issue.

Meanwhile, Panamanian ambassador to Washington Ricardo Alberto Arias explained that the suspension of the conversations "has been positive because it has given us more time" to have consultations.

The diplomat admitted that the dates of 30 November and 1 December initially announced "were a little too soon."

In the meantime, Ambassador Ricardo Alberto Arias ruled out the possibility that the exploratory talks between the Panamanian Government and the U.S. Government on the permanence of U.S. bases in this country would begin before the end of the year.

In addition, Arias asserted that Washington's reaction upon being notified of the suspension has been "positive because they understood, just like we did, that the suspension was convenient for both parties." According to the envoy, "this is a convenient step."

The diplomat remarked that no date had been set to begin the conversations, but he ruled out that the conversations would be suspended indefinitely.

Arias made statements in favor of beginning conversations with the United States, saying that the talks must be given a chance. He stated that the topics to be broached during the conversations cannot be discussed in advance.

Arias explained that it is unlikely that the conversations will begin this year, adding that it is likely they will take place next year, though no exact date was given.

The ambassador categorically explained that there was a "suspension" of the conversations, which will begin in due time.

Meanwhile, the government has launched an information campaign on this issue nationally, including the political, business, labor, and social sectors.

The exploratory talks do not include issues pertaining to the Panama Canal, Arias affirmed.

Arias indicated that all positions of the Panamanian Government on the bases issue still are preliminary. "We cannot get ahead in this process, nor can we advance our position on some issues; the talks must be given a chance to develop to see if there are any positive aspects enabling Panama to understand that it is best to continue with the exploratory talks."

According to the envoy, these positive aspects "are many and varied," among which he listed the use that may be given to base installations, the benefits that may be obtained through investments in these facilities, and their maintenance cost in case no benefits are obtained.

In addition, we would have to analyze, Arias noted, direct benefits, such as commercial, cultural, or education benefits. In summary, the ambassador concluded, we must wait for this processs to develop, given the many possibilities that may come up.

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

New ARI Director Comments on Institution's Plans

PA0212192495 Panama City Telemetro Television Network in Spanish 1200 GMT 2 Dec 95

[Report by Cindy Pereira from the "Morning Newscast" newcast]

[FBIS Translated Text] Several days ago Stanley Motta was chosen as the new president of the board of directors of the Interoceanic Region Authority [ARI]. Motta referred to the most important topics discussed at recent ARI meetings:

[Begin Motta recording] The ARI reviewed the topics that were pending from the previous board of directors' meeting. In addition to the general plan, we are currently working on a plan to develop Fort Amador. We are also working on promoting various projects in the country as well as abroad. For example, we are currently working on a plan to begin selling homes in Fort Espinar.

Regarding negotiations over the U.S. bases, Mr. Motta said:

[Motta] The ARI has no direct connection to this issue except for the fact that the deputy administrator is a member of the team that was going to participate in the talks. The ARI — and I believe all the members of the board of directors share this view — we believe that our country's foreign relations are directed by the President of the Republic and the foreign minister and that the ARI will be asked to participate at the right time. [end recording]

PRD Delegate Calls For Change in Party Leadership

PA0212043795 Panama City Circuito RPC Television in Spanish 2300 GMT 30 Nov 95

[Report by Alvaro Alvarado; from the "RPC Television News" newscast]

[FBIS Translated Text] The Democratic Revolutionary Party [PRD] will hold a congress to elect its new authorities on 17 December. The objective of the current CEN [National Executive Committee], which is headed by legislator Gerardo Gonzalez, is to get reelected. However, there are some members who are suggesting changes in the directory.

[Begin PRD delegate Pedro Pereira recording] I believe, for example, that changes in the PRD should be made at the 17 December congress. However, the thesis of the PRD directory members is to maintain themselves in control of the government and of the party. I believe this is a serious mistake. The PRD directory is showing a lack of political vision and initiative.

The current CEN has to decide if it stays in the government or assumes management of the party, Pedro Pereira asserted. This is a serious political mistake that could damage the PRD, he added.

[Pereira] We will have to pay dearly for this political mistake because our party's image is seriously eroding due to the economic crisis and recession in the country and the lack of vision of those who are managing the party.

Legislator Miguel Bush, who is also a PRD delegate, contends that Pedro Pereira's statements are due to his interest in getting into the CEN.

[Bush] I believe his opinions will hurt more than help him. I think he has to work. He will have the opportunity in three years time. He has to walk, tour the entire country, and get his votes. I believe the CEN has done its work up to now. We have criticized it when it has been necessary. Several things have been corrected. [end recording]

Miguel Bush denied that pressure is being exerted against those who want to oppose the current PRD directors.

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

Argentina

Reaction to Report on Alleged Arms Sales to Croatia

Said To Indicate 'Grave' Conflict

PY0112160295 Buenos Aires CLARIN in Spanish 30 Nov 95 pp 14, 15

[Report by Daniel Santoro; copyrighted by CLARIN]

[FBIS Translated Excerpt] In a *secret letter*, Defense Minister Oscar Camilion asked his foreign relations colleague, Guido Di Tella, *not to continue to openly discuss* the case involving arms sales to Croatia, as the Foreign Ministry was responsible for "*not having asked*" whether or not it was true that Panama had purchased 6,500 tonnes of arms.

Camilion's letter (dated 10 April 1995), to which CLARIN had exclusive access, confirms the existence of *a grave internal conflict* within the government, which has still not been resolved, over the responsibilities for the arms sales to Croatia. Additionally, by that time [10 April 1995] it was *almost certain* — although now it is being openly denied — that those shipments had not arrived in Panama, but had been diverted to Croatia.

Ridiculous Role Noted

In another letter, Di Tella responded to Camilion that the Foreign Ministry had *limited itself* to reviewing whether or not any embargoes had been imposed on Panama and that *it was not the Foreign Ministry's duty to determine whether or not the Panamanian documents were inaccurate*. Furthermore, Di Tella told Camilion that Argentina *had escaped making a fool of itself in the international arena* thanks to a Foreign Ministry report to the UN Sanctions Committee handling the embargo against the countries that comprised the former Yugoslavia to the effect that 36 Argentine-made high-caliber guns had been shipped to Croatia.

The strife between Camilion and Di Tella was reported by CLARIN on 12 March, but was limited then to the Ecuador case [involving the diversion of an arms shipment]. At that time, the government *denied* such *strife*. [passage omitted]

Pungent Letter

In his April letter, Camilion wrote:

— "Nevertheless, this issue could not be limited to Decree No. 103/95. In fact, there are reports circulating about the *possibility of similar diversions with the same destination (Croatia)...*" Decree No. 103/95 authorized the shipment of the 36 high-caliber guns. In turn, secret Decrees No. 1697 and No. 2283, issued in 1991, authorized the sale of the remainder.

— The final destination certificates ... were issued (in 1991) by Jose Miguel Aleman, the Panamanian vice minister of government and justice, and Mr. Alcibiades E. Simons Ramos, the acting Panamanian charge d'affaires in Buenos Aires." [no opening quotation marks as published]

— "As the Defense Ministry does not have any direct contacts with the Panamanian Government or the Panamanian Embassy, it *would be of interest to confirm* if the Foreign Ministry has contacted the Argentine Embassy in Panama, the Panamanian Government, or, in particular, the charge d'affaires of that Republic."

— "Therefore, it can obviously be concluded that there should be records on this operation, particularly *the consultations* that should have been held with the Argentine Embassy, in a Foreign Ministry office."

— "Two consecutive exports to a country with the characteristics and geographical location of Panama, and involving such volumes, represent *a foreign-policy decision that undoubtedly has been carefully assessed*. If the go-between firms have *deluded* the Argentine Government, all this data should be reported to the UN Sanctions Committee."

Menem: No 'Strife' Between Ministers

PY0112162095 Buenos Aires TELAM in Spanish 1813 GMT 30 Dec 95

[FBIS Translated Text] Buenos Aires, 30 Nov (TELAM) — President Carlos Menem today emphasized that there has not been any strife, as claimed by a press report, between Foreign Minister Guido Di Tella and Defense Minister Oscar Camilion over the issue involving Argentine arms sales to foreign countries.

During a news conference at Government House this morning, the president emphasized: "It is not true. You can rule this out completely."

Rejecting a press report that the newspaper CLARIN published today, Menem emphasized: "This is another completely groundless concoction that is being vented. There is no strife."

Menem noted that Argentina "has not violated any embargo." He added: "Arms sales to Ecuador and Croatia are being reported, but Argentina actually sold them to private purchasers."

Menem emphasized: "Argentina sells arms to purchasers, not to a given country. And afterward, these purchasers sell them wherever they believe they can."

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

Menem Denies Sales to Croatia, Ecuador

PA0312020295 Madrid EFE in Spanish 2323 GMT 2 Dec 95

[FBIS Translated Text] Mar del Plata (Argentina) 2 Dec (EFE) — Argentine President Carlos Menem today denied that Argentina has directly sold weapons to Croatia and Ecuador.

"If Argentina sold weapons directly to countries involved in a conflict such as Ecuador, where our country is a peace guarantor, or if we sold weapons to Croatia, where Argentina has sent peace-keeping troops, this would create an irregular situation, and we would have to close all our arms factories," Menem said.

The Buenos Aires daily CLARIN today revealed the contents of a "secret letter" dated 17 April in which Argentine Foreign Minister Guido Di Tella replied to a letter from Defense Minister Oscar Camillon. In his letter, Di Tella said that "the Defense Ministry had made a timely proposal" of an operation to sell weapons officially destined for Panama, which supposedly had ended up in Croatia.

CLARIN reported last Thursday that between 1991 and 1995 Croatia had received approximately 6,500 tons of military supplies from Argentina valued at $34 million that were officially destined for Panama.

Argentina is part of the UN peace-keeping forces currently stationed in former Yugoslavia, where several "Blue Beret" battalions have been sent.

According to the reports, the diversion to Ecuador of weapons officially destined to Venezuela occurred in the midst of the war between Ecuador and Peru during the past summer.

Argentina, along with the United States, Chile, and Brazil, is a member of the guarantor countries for the peace treaties signed between Peru and Ecuador.

In connection with this episode, Federal Judge Jorge Urso conducted a legal process against Luis Sarlenga, chief of the state-run enterprise Fabricaciones Militares, and three other officials.

Menem reiterated today in Mar del Plata that Argentina "did not sell weapons to Ecuador or Croatia," and cited "a UN report stating that not a single weapon made in Argentina has been detected in the conflict in former Yugoslavia."

Detainees in Raids Linked to AMIA Case Reported

PY0112172995 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1610 GMT 1 Dec 95

[FBIS Translated Text] Buenos Aires, 1 Dec (NA) — The investigations into the AMIA [Argentine-Israeli Mutual Association] bombing suddenly revived this morning when Federal Judge Juan Jose Galeano headed an operation carried out at the 601st Campo de Mayo Engineering Battalion, within the framework of various operations in the federal capital and Greater Buenos Aires area. During these operations, 12 people, including three Army NCO's, were detained.

Police sources indicated that an as yet undetermined number of weapons and explosives have reportedly been seized. Concerning the detainees, the sources noted that three are military officers and the rest are civilians. The sources indicated that the detainees were taken to the Quilmes Investigations Brigade.

In remarks to a radio station this morning, Alejandro Perez Carrega, the Buenos Aires Province security under secretary, confirmed these operations, which were ordered by Judge Galeano. Perez Carrega explained that the most important operation was carried out in the city of Merlo, in western Greater Buenos Aires.

The Buenos Aires Province security under secretary confirmed that 12 people were detained. He added that the operations had been carried out jointly with Buenos Aires Province Police, Army, and Secretariat for State Intelligence (Side) personnel.

Another operation was carried out at a house in San Miguel, in northwestern Buenos Aires, where weapons and explosives have reportedly been seized. It was leaked that an Army gunsmith named Miguel is reportedly living in that house. It has not been reported whether or not this person is among the detainees.

Banking Official: Banking System 'Solid'

PY0112234595 Buenos Aires LA NACION in Spanish 1 Dec 95 p 1

[FBIS Translated Text] The banks have seen the return of 97 percent of the deposits that fled the financial system due to the tequila backlash. Eduardo Escasany, president of the Argentine Association of Banks (Adeba) and president of the Bank of Galicia, told LA NACION: "About $1.5 billion must return in order to reach the level prior to the Mexican financial crisis in December 1994."

He added that between January and February 1995 foreign investors withdrew some $2.7 billion, which was partially replaced by Argentine investors, while in

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

September 1995 the financial system granted a volume of loans higher than the volume that existed when the Mexican crisis occurred, and at lower interest rates.

Although the current loan capacity now amounts to $56 billion, Escasany acknowledged that the financing between enterprises and the financial system must be reformulated. He pointed out that the situation of the banking system is solid and that it is even in better shape than the Mexican and Brazilian systems.

The banker said the second reform of the state will permit a lowering of costs and help to improve productivity. He predicted that the number of banks will drop, especially through mergers.

Brazil

Article Previews U.S. Treasury Secretary's Visit

PY0112231695 Sao Paulo AGENCIA ESTADO in Portuguese 2117 GMT 30 Nov 95

[FBIS Translated Text] Washington, 30 Nov (AE) — As someone who wrote his thesis on Brazil yet never set foot in the country, U.S. Treasury Secretary Robert Rubin will receive a hearty welcome upon his arrival in Sao Paulo on an 18-hour visit next weekend. Rubin's first commitment on 2 December is a luncheon with President Fernando Henrique Cardoso and members of the economic team.

On the morning of 3 December, the U.S. treasury secretary will participate in a round-table discussion with managers from the financial world and then visit a project funded by the World Bank. Rubin is scheduled to return to Washington that same afternoon.

Rubin's aides reported that the U.S. treasury secretary does not have any specific subject to discuss with the Brazilian president during his visit to Brazil. This notwithstanding, the most urgent problems confronting the two countries at this juncture — namely the situation of Brazilian banks and the possible implications of the wrangle between Congress and the White House over the budget, which resulted in the partial shutdown of the U.S. Government and brought the United States to the verge of default — will surely be on their agenda.

Rubin will certainly insist on the need for greater cooperation between the governments of the region and the United States to combat corruption and the laundering of drug money. This will be the subject of a two-day meeting of the finance ministers of the Americas to be presided over by the U.S. Treasury secretary in Buenos Aires as of tomorrow.

On this matter, President Cardoso has some news for the U.S. secretary — the Brazilian Congress is about to approve an amendment to the Bank Confidentiality Law submitted by the executive so that Brazil may formalize an agreement with the United States that will enable the exchange of information between the two governments in cases of corruption that are handled by the courts. This agreement will make it easier to investigate and take to court people like P.C. Farias [campaign manager of former president Collor de Mello] and Jorgina Fernandes, an attorney from Rio de Janeiro who was found guilty of embezzling millions from the Social Security Ministry but who fled the country and now faces charges in a civil lawsuit instigated by the Brazilian Government in Miami, where she deposited part of the stolen money.

Washington has an ambitious project to combat money laundering — which Rubin outlined today during a speech — through a coordinated action by all governments, since this global activity of organized crime poses a threat to the economic and financial stability of all nations, and to democracy itself. The joint declaration that will be issued at the close of the Buenos Aires meeting is sure to endorse several suggestions put forward by the United States, including the establishment of special units to investigate money laundering — designed after the Financial Crimes Repression Network [Rede de Repressao aos Crimes Financeiros] (FinCen), which the Clinton administration introduced at the Treasury — and of mechanisms for the ongoing monitoring of bank transactions involving the transfer of large sums of money.

Rubin praised the Brazilian stabilization program today. He declined to comment on a current affair — the scandal involving Sivam [Amazon Region Surveillance System] — and the possible implication of the U.S. company Raytheon in bribery of Brazilian politicians. In reply to a question, Rubin said: "I do not know if the U.S. Government is investigating this matter, but if I did know, I would not say anything about it." A high-ranking White House official today reported that Washington is not delving into this "affair."

The subject of Rubin's thesis before graduating from Harvard University in April 1960 will help to enliven his talks with the Brazilian head of state and the members of the economic team. Rubin researched the Brazilian economy from 1948 to 1958 and reached a conclusion — politically incorrect at present — that inflation during that period did not impair Brazil's economic growth.

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

Mixed Commission With Germany Meets in Sao Paulo

PY0112174195 Brasilia Voz do Brasil Network in Portuguese 2100 GMT 30 Nov 95

[FBIS Translated Text] Brazilian and German representatives today discussed in Sao Paulo measures to promote integration between Mercosur [Common Market of the South] and the EU.

Brazil and Germany have come closer to consolidating a partnership between the Mercosur and EU regional blocs. This has been one of the conclusions reached by representatives of the two countries during the 22d meeting of the Brazil-Germany Mixed Commission, which convened in Sao Paulo simultaneously with the Febral 95 [1995 Brazil-Germany Technological Fair], which is the largest overseas technological fair organized by Germany.

Stabilization of the Brazilian economy, the resumption of the privatization process, and the elimination of discrimination against foreign capital have been described as key factors in strengthening trade between Brazil and Germany.

Ambassador Francisco Junqueira, who represented Brazil in these talks, described the outcome of this meeting as very positive:

[Begin recording] The dialogue was very positive. Ideas were exchanged about the Brazilian and German economies, and the prospects for the future have also been viewed as very positive. [end recording]

Today, the National Industrial Apprenticeship Service [SENAI] and the German Government signed a protocol to promote the joint impelemntation of a project designed to train supervisors in the metalworking industry.

Foreign Minister Views Talks on Trade Zone With Mercosur

PY0112235495 Sao Paulo AGENCIA ESTADO in Portuguese 2256 GMT 30 Nov 95

[Report by Paulo Vasconcelos]

[FBIS Translated Text] Rio de Janeiro, 30 Nov (AE) — Today at the 15th National Meeting of Foreign Trade (Enaex), Foreign Minister Luiz Felipe Lampreia practically guaranteed the acceptance of the agreement that will create a free trade zone between Chile and Mercosur [Common Market of the South] member countries. The final decision will be announced during the meeting of the Mercosur ministers in Punta del Este, Uruguay, on 6 and 7 December. Minister Lampreia is optimistic: "The agreement is going on very well. It is almost sure the agreement will establish a free trade zone for 10 years."

The minister also announced that the creation of a free trade zone among the Mercosur countries and Bolivia and Venezuela is also being negotiated. The idea is to extend the free trade zone to other South American countries later.

Lampreia called told the exporters gathered at the Gloria Hotel of the importance of the European market. On 15 December President Fernando Henrique Cardoso will be in Spain to sign a cooperation agreement between the members of the EU and Mercosur.

Lampreia said trade between Mercosur and the EU amounted to $23 billion in 1994. Lampreia said: "Our relations with Europe cannot be put aside."

Further Reports on Sivam Surveillance System Project

Ex-Official: U.S. Pressuring President

PY0212012995 Rio de Janeiro O GLOBO in Portuguese 1 Dec 95 p 3

[FBIS Translated Excerpt] Brasilia — During a briefing session before the Chamber of Deputies super committee, Julio Cesar Gomes dos Santos, [former Planalto Palace chief of protocol], said the U.S. Government pressured President Fernando Henrique Cardoso to continue the Sivan [Amazon Region Surveillance System] project. Gomes dos Santos stated that he witnessed four conversations between American authorities — including President Bill Clinton — and President Cardoso, and even with former President Itamar Franco. The former protocol chief said that in all four conversations, the Brazilian presidents' interlocutors vehemently defended the Sivam project and the selection of the American Raytheon company. Paulo Tarso Flecha de Lima, the Brazilian ambassador to the United States, reportedly has been under constant pressure by American authorities.

Gomes dos Santos, who was moved to tears at the end of the briefing session, said: "Let us not forget the U.S. Government's interest in this project." The former protocol chief began to sob when asked if he had any links with the Air Force through his father, Brigadier Gomes dos Santos, the last Air Force Minister under [former President] Getulio Vargas. Shedding bitter tears, Gomes dos Santos replied: "Not with this Air Force," recalling that his father was removed from office.

The former protocol chief said President Cardoso was approached by U.S. Defense Secretary William Perry

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

over the Sivam project, and by President Bill Clinton's special adviser [not further identified] (during the Brazilian head of state's trip to Miami to attend the Summit of the heads of state of the Americas). He added that subsequently, President Clinton himself brought pressure to bear on his Brazilian counterpart. [passage omitted]

Sarney: No Link To Reform Bills

PY0212015695 Brasilia Voz do Brasil Network in Portuguese 2100 GMT 1 Dec 95

[From the Congressional Report segment]

[FBIS Translated Text] Senate President Jose Sarney has said that the Sivam [Amazon Region Surveillance System] project will not jeopardize the constitutional reform bills.

Sarney said the Sivam investigations should be conducted only by the Senate, considering its power to authorize the contracting of foreign loans.

Sarney described the investigations by the Chamber of Deputies as an overlapping of jurisdictions and a waste of time. He feels it would be more reasonable for just one house to hear testimonies that would be useful to both houses. He said:

[Begin recording] The Chamber of Deputies could perform a supplementary role, if you will, through its Supervision Committee, which must discharge its duties after the project has been set in motion. At present, we are still at a stage in which the Senate must approve the loan sought by the administration. [end recording]

Sarney stated that the Sivam affair will not jeopardize the constitutional reform process promoted by the administration. Sarney said the constitutional reform bills are on schedule.

Justice Minister Favors Project

PY0112172795 Brasilia Radio Nacional da Amazonia Network in Portuguese 0900 GMT 1 Dec 95

[FBIS Translated Text] Justice Minister Nelson Jobim favors the implementation of the Amazon Region Surveillance System, Sivam, project. He supports the project in particular because it will help in his area's work, in the protection of indigenous peoples, and in the antismuggling and antinarcotics efforts.

Minister Jobim prefers, however, not to discuss in public issues related to the tender bidding process for the implementation of Sivam, the estimated cost of which is 1.4 billion reals.

The minister believes the cancellation of the Sivam project would hinder the government plans for achieving effective control over the Amazon Region, particularly with regard to the security of the area.

President Defends Project

PY0112234095 Brasilia Voz do Brasil Network in Portuguese 2100 GMT 1 Dec 95

[Quotation marks indicate recorded passages]

[FBIS Translated Text] President Fernando Henrique Cardoso today attended the graduation ceremony of 60 Air Force cadets. Cardoso presented a sword to cadet Rainer Ferraz Passos, the top student in his class.

After the ceremony, Cardoso held a news conference and commented on his decision to convene the National Defense Council to examine the Sivam [Amazon Region Surveillance System] project.

"I will ask Brigadier Lobo about when the Sivam issue originated at the National Defense Council. I would like to hear the opinion of the Council members. I will discuss the issue with Brigadier Lobo. All the required explanations will be given because the Air Force, let alone the administration, has nothing to conceal."

Cardoso said he does not intend to ask for support for the Sivam project. He said: "No, I will not ask for support for anything. I do not need any support for anything. I simply want to make it clear to the nation that the project is important and that, if irregularities exist, they will simply be corrected at any cost."

Cardoso emphasized the significance of the Sivam project. He said: "I would like to ask these questions: Does Brazil need to control air traffic and to ensure flight security? Does Brazil need to bring smuggling under control in the Amazon region? Does Brazil need information on ecology in the region? Yes, it does. Thus, we should have a project to meet this need. This is the crux of the matter. Brazil needs to control the Amazon region.

"Neither I nor my administration started the Sivam project, which dates back to another administration. This project has already gone through many congressional committees. I have told my colleagues in Congress that irregularities will be simply punished or corrected.

"I have shown the country that if there are irregularities I will not hesitate to take the appropriate action.

"I believe it is not in the best interest of the nation to create an atmosphere of excitement around a project which is necessary for the country, which has a long-term financing, and which is advantageous to the country. Yet, any problem surrounding this project should be cleared up. The Senate is doing just that. I

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

repeat that this project has already been examined by six or seven committees in the Senate and the Chamber of Deputies. When an irregularity was confirmed, I took corrective action, as was the case of ESCA [Automation and Control Systems Engineering], which committed an irregularity and I ordered that it be removed from the project. If there is another irregularity, it will be corrected. If this is not possible, the project will be canceled.

"Brazil is a responsible country. The winner of the project was selected by an Air Force committee after hearing many international bids. As soon as a decision was made, the name of the winner was announced. Thus, no action should be taken regarding this project without a truly strong reason, not by following mere petty political interests. If we do this, Brazil could be hurt."

Aeronautics Minister Lelio Viana Lobo will defend the implementation of the Sivam project during the National Defense Council meeting next week.

Lobo conveyed to Deputy Michel Temer, leader of the Brazilian Democratic Movement Party [PMDB], that he will support the implementation of the Sivam project and the contract with the U.S. Raytheon company. Temer said Lobo has strong reasons to defend Sivam.

Temer said: "Senator Jader Barbalho and I met with Minister Lobo and it became clear that the minister has very strong, powerful technical reasons to support the project and he will certainly do just that at the National Defense Council meeting."

Temer said Minister Lobo also stated that canceling the Sivam project could be harmful to Brazil's credibility abroad.

General Benedito Bezerra Leonel, chief of the Armed Forces General Staff, said today in Porto Alegre that if President Cardoso asks, the National Defense Council will make a technical analysis of the Sivam awarding process.

During a lecture at Rio Grande do Sul University on the Armed Forces' role on the domestic and international fronts, Bezerra Leonel ruled out the possibility of error in the Sivam project. He noted, however, that if there are reasonable doubts about Sivam, President Cardoso will take the appropriate corrective actions.

Defending the project, Bezerra Leonel emphasized the significance of Sivam in fighting the drug trade in the Amazon Region.

Draft Law on Policy for Telecom Satellite Use

PY0112175495 Sao Paulo AGENCIA ESTADO in Portuguese 1705 GMT 28 Nov 95

[FBIS Translated Text] Sao Paulo, 28 Nov (AE) — The following is the preamble of the draft law submitted in document No. 2 of the Communications Ministry:

Your Excellency Mr. President of the Republic:

1. The Brazilian telecommunications legislation, as far as the issuance of licences is concerned, is based on the concept of exploitation of services, establishing no restrictions on the methods to be used for rendering said services, or on the ownership of the services, which can belong to the party to whom the licence was issued, or to third parties to whom the services were transferred under any contractual form.

2. For this reason, the actions by this ministry — which regulate the exploitation of telecommunication services — have not regulated the origin of such services, be they commutation centrals, fiber optic networks, radio systems, or other systems used for creating the necessary infrastructure for rendering the services.

3. Among the methods used for exploitation of telecommunications services, there has been growing demand for satellite systems, which so far have been managed exclusively by Embratel [Brazilian Telecommunications Company]. This has awakened the interest of the national private sector, which wants to participate in undertakings in order to provide such facilities and make them available to the parties that will render the services.

4. The use of satellites entails features that are different from those involving the use of traditional methods, particularly because of:

a. coverage, beyond geographical borders, of the signals transmitted by satellites owned by any country;

b. national and international coverage of satellite telecommunication services;

c. military, scientific, and technological interest in satellite systems;

d. more difficulty for guaranteeing the continuity of services through the intervention of the state, in case this is necessary.

5. The International Telecommunication Union — ITU — in the Radio Communications Regulations, establishes that coverage of a country with satellite signals can only be prevented, from a strictly technical viewpoint, if such signals interfere with the national systems registered with the ITU, with the exception of satellites

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

destined for direct broadcasting, for which the receiving country must give its explicit authorization.

6. Independently from the satellites operating in appropriate technical conditions, the rendering of services through satellites is conditioned, in each country, on its internal regulations. In most cases, a licence is requested for the exploitation of services where signals are transmitted and received, or an authorization for the services where there is only reception of signals.

7. In Brazil, the use of satellites was regulated through Resolution No. 230/91 of this ministry, which has not, however, exhausted the subject, because some of its resolutions are obsolete, in light of the great progress in this sector.

8. In order to supplement and give new orientation to the conditions that should guide the use of satellites in Brazil, a policy proposal has been drawn up as an annex to this preamble. In light of its strategic importance, I am submitting the proposal, which will help design a government policy in the area, for Your Excellency's approval.

9. Faithful to the guidelines of the government of Your Excellency, the main objective of the policy proposal is the public use of networks, independently of ownership, guaranteeing that the exploitation of services takes into account public interest, and expanding the diversity and dissemination of the services offered to Brazilian society.

10. At the same time, taking into account the current situation, the following main premises have been adopted: implementing the policy proposal, encouraging private sector participation in the supplying and use of satellite telecommunication systems, and establishing conditions for egalitarian competition with regard to access to satellite telecommunication facilities by the organizations that exploit telecommunication services.

11. In this regard, as far as geostationary satellites are concerned, a decision has been made to attach priority to the satellites managed by Embratel [Brazilian Telecommunications Company], over a period ending on 31 December 1997, for rendering telecommunications public services and restricted telecommunications services.

12. The draft bill attaches permanent preference to the use of Brazilian satellites. Brazilian satellites are those owned by a Brazilian enterprise, which use orbital positions assigned to Brazil, and whose control stations are deployed in Brazilian territory.

13. For the use of foreign satellites, the draft bill demands previous justification before the Communications Ministry, and reciprocity from the country of origin.

14. For the exploitation of satellite telecommunication services in Brazil, in whatever form, even if the access to the satellite originates abroad, a previous, specific licence is requested, in line with the respective regulations.

15. The policy proposal also provides for the use of low- and mid-altitude satellites for exploitation of personal mobile services, a recent application that is still being developed at a world level by several organizations, which expect to start commercial operations in 1998.

16. According to the policy proposal, there will be no restrictions for the use in Brazil of any low- or mid-altitude satellite system for which a specific licence has been issued, provided it meets the quality and reliability requirements established by the Communications Ministry.

17. Subject to prior observance of existing regulations, the exploitation of services that may be rendered through those systems may be assigned to Brazilian enterprises having operational and commercial agreements with the organization that owns the system. The respective telecommunications station used for interconnecting system satellites and land networks — whenever such station is located in Brazilian territory — may be run by a Brazilian enterprise other than the licensee for exploitation of the service that is part of the abovementioned commercial and operational agreement.

18. Concerning low- and mid-altitude satellite projects, it should be pointed out that Brazil is planning to develop its own project in this area, as part of the Brazilian space program, which was approved by the predecessor of Your Excellency in the Presidency.

19. Taking into account the strategic aspects of the project referred to in paragraph 18, its features must be defined in order to make it suitable for the provision of telecommunications services to Brazilian areas which, as part of the market, are supplemental to the targets of the other projects. The provision of services to those areas is a major factor for socioeconomic integration and development.

20. The action that most properly facilitates the provision of such services is the encouragement of private investment in the provision of satellite systems, with full responsibility and risks taken by Brazilian enterprises, as far as the structuring of their undertakings and their respective technical and operational project for satellite telecommunications are concerned. If necessary, the services may eventually be supplemented by the temporary use of foreign satellites.

21. These are, Mr. President, the considerations that I deemed appropriate to submit to Your Excellency,

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

along with the proposal for a Policy for Use of Telecommunication Satellites.

Respectfully,

[Signed] Sergio Motta, minister of state of communications

Text of the Resolution included in Document No. 2.

1. Introduction

The current Policy on the Use of Telecommunications Satellites establishes the objectives and guidelines that will regulate the use of telecommunications satellites. Public access to systems, irrespective of their properties, constitutes the central principle governing this policy.

1. [Number as received] Objectives

The Policy on the Use of Telecommunications Satellites seeks to guide the provision and the use of satellite systems for the exploitation of telecommunications services in Brazil. As far as the system of granting of licenses is concerned, the telecommunications sector legislation is based on the concept of exploitation of services without establishing restrictions on the licensee for the use of its own means of communications — or those of a third party — in the operation of those telecommunication services. The result of this flexibility, provided for by the Brazilian legislation, is a competitive model for the provision of means of communications through satellite systems, which must be established so as to achieve the following objectives:

a. To ensure that the operation of services be undertaken bearing in mind the interest of the people;

b. To give momentum to the development of Brazilian communications;

c. To increase the diversity and the dissemination of services offered to the public;

d. To promote greater availability of means of communications for the exploitation of telecommunication services;

e. To encourage efficiency in meeting domestic demand;

f. To foster technological and economic development of the satellite telecommunications sector in Brazil;

g. To promote the strengthening and creation of Brazilian groups interested in investing in the telecommunications sector, encouraging the creation of more jobs;

h. To guarantee an adequate defense of Brazilian interests at international forums;

i. To encourage the use, by Brazilian systems, of primary orbital arcs and frequencies of interest for Brazil.

3. Premises

Taking into account Brazil's current situation, the creation of a competitive environment for the provision of means of communications through satellite systems to be used for the provision of telecommunications services — according to the license granted to each entity which will exploit telecommunications services — makes it advisable that the telecommunications policy be based in the following premises:

a. Incentives to attract the participation of the private sector in the supply and use of satellite telecommunications systems;

b. Availability of orbital position and of the use of the radioelectric spectrum for the provision of public telecommunications services;

c. Conditions for equitable competition among entities which will exploit telecommunications services for the provision of means of communications through satellite;

d. Satellites to be used mainly for public services shall take precedence in case of common interest in the orbital position or for the use of an as yet unawarded radioelectric spectrum, the use of which is in the process of being coordinated;

e. Once it is established that the radioelectric spectrum and the orbital positions are to be used for public services, satellite telecommunications systems will have to grant equal and nondiscriminatory treatment to all licensees and operators of telecommunications services;

f. The licensing of spatial segment and of the respective control station linked to the licensing that was previously granted for the exploitation of the Special Operations Service of the Spatial Segment, to be awarded through a special process.

4. Concepts

For the purposes of the present telecommunications policy, the following concepts — besides the provisions of the Brazilian Telecommunications Code and its regulations — are adopted:

— Spatial Segment: Component of the satellite system and communications comprising satellites in orbit and their control stations;

— Brazilian Spatial Segment: Special segment to be used by orbital positions awarded to Brazil or upon being notified by Brazil and having control stations of orbital positions located in Brazilian territory;

— Capacity in Spatial Segment: Traffic-carrying capacity of a spatial segment;

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

— Geostationary System: System of satellites in geostationary orbit at a height of approximately 36,000 km;

— Low Orbit System: System comprising a constellation of satellites of low (up to 2,000 km) or medium (ranging from 10,000 to 15,000 km) orbit;

— Interconnection Station and Access to Spatial Segment: A telecommunications station that interconnects a spatial segment of satellite systems with ground networks of telecommunications services;

— International Coordination: An interaction process with foreign telecommunications agencies carried out through the International Telecommunication Union (ITU) with a view to preventing harmful radioelectric interference between telecommunications systems;

— Domestic Coordination: Interaction process between domestic satellite and ground telecommunications systems in order to prevent harmful interference between them.

5. Guidelines

5.1 In keeping with the procedures and requisites established by the Communications Ministry, Brazilian companies with proven technical and financial capability compatible with the undertaking will be able to register to occupy an orbital position for a telecommunications geostationary satellite and to use the radio electric spectrum attributed to such application.

5.1.1. In keeping with the pertinent laws and regulations, the Communications Ministry has established specific conditions for granting licenses that include technical, financial, and capital composition requisites and aspects.

5.1.2. The Communications Ministry will be responsible for national and international notification and coordination of the occupation of orbital positions and of the use of the radio electric spectrum after having listened to the interested parties.

5.1.3.1. [Number as received] In order to optimize the occupation of geostationary satellite orbits and the use of the radioelectric spectrum, international norms and recommendations must be observed, as well as those established by the Communications Ministry.

5.1.4. The authorization to occupy orbital positions, to use the corresponding frequency bands, and to identify the respective coverage areas will be guaranteed by the permit, for the time determined, for the exploitation of Special Service of Space Segment Operation meant for the control and telemetry of satellites in orbit.

5.2. The exploitation of satellite telecommunications services in Brazil, in any of its forms and independently from whether it is accessed from Brazil or abroad, will depend on a specific permission within the terms of the applicable regulation. Such kind of exploitation can be done through the permit bearer's own means or through the special segment contract capability of third parties.

5.2.1. Brazilian space segment capability will be given priority, while use of foreign segment capability must be justified prior to use before the Communications Ministry.

5.2.1.1. Foreign segment capability can be used on a complementary and temporary basis as long as there is no capability available in the Brazilian space segment with similar technical characteristics and there are reasonable and fair commercial conditions.

5.2.1.2. As long as international regulations are observed, the use of foreign space segment will be allowed in similar technical operations and economically feasible conditions, taking into account reciprocal treatment by the country of origin, and as long as no Brazilian satellite telecommunications systems are operating with similar conditions of use.

5.2.1.3. The use of foreign space segment capability will be conditioned upon its being contracted through a legal representative of the owner installed in Brazil.

5.2.2. The Brazilian space segment prerogative will be available to the satellite systems established through specific intergovernment agreements Brazil has signed for the services specified in the agreement, as long as they are contracted by a Brazilian member that has signed an operational agreement.

5.2.2.1. These systems will be used on a temporary and complementary basis for domestic tracts as long as a Brazilian space segment capability with similar technical characteristics and reasonable commercial conditions is not available.

5.3. The exploitation of Public Service and Limited or Restricted Service of Telecommunications until December 1997 must be made through the space segment provided by the Brazilian Telecommunications Company, Embratel.

5.4. The exploitation of satellite telecommunications services must always observe the rules corresponding to the kind of service exploited in keeping with its destination.

5.5. Low orbit system telecommunications services will be allowed in Brazil through a specific permit as long as they meet the requisites of quality and reliability established by the Communications Ministry.

5.6. The permit for such services will be granted within the terms of the law to Brazilian companies that have an

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

operational and commercial agreement with the owner of the low orbit system as well as technical and financial capabilities to engage in such undertaking.

5.6.1. The permit for interconnection stations and access to the space segment of low orbit systems installed in Brazil can be requested separately by Brazilian companies that equally have the necessary operational and commercial agreement.

5.7. The Communications Ministry will define the operational and commercial conditions for the connection of low orbit systems to the public telecommunications network, as well as, among others, the conditions regarding the quality and continuity of the services for the supply of operational data on the system and the installation in the country of interconnecting stations and access to space segment.

5.8. As for global or regional systems, the Communications Ministry will take action before the other government agencies so as to promote the development of a project in keeping with the guidelines included in preamble No. 2528 of 29 July 1994, as well as before any other agency established by the president of the Republic.

Chile

Daily Praises Clinton's Peace-Seeking Efforts in Bosnia

PY0112220595 Santiago EL MERCURIO in Spanish 28 Nov 95 p A3

[Unattributed commentary: "Pax Americana"]

[FBIS Translated Text] Following the deaths of 250,000 and the emigration of another 2 million, the agreement signed last week by the presidents of Bosnia, Serbia, and Croatia and the U.S. secretary of state is the best peace alternative in the region since the conflict broke out almost four years ago. This agreement was not easy and, undoubtedly, is just an initial step towards a final solution to the war in Bosnia, but the document represents a significant step forward.

The pact maintains a relatively weak central government in Bosnia and freezes the territorial division in two ethnic regions, with a Croatian-Muslim federation on one side and the Bosnian Serbs on the other. The central government, with an alternate presidency and a Parliament in which all the ethnic groups are represented, will be responsible for the foreign and monetary policies and for matters related to immigration and citizenry. All refugees will have the right to return to their homes or be compensated for their losses. Sarajevo will remain united and open, as a symbol of the nation's integrity. The agreement will be safeguarded by a force of 60,000 UN soldiers, one third of them from the United States.

The United States played a decisive role in the negotiations, as well as in the strategic balance adjustments. Thus, the EU's capacity to act united and resolutely in view of a conflict in its own continent is doubtful.

President Bill Clinton early this year revealed extraordinary political courage by committing his scarce international prestige to an effort to solve the conflict. He is the person most directly responsible for this agreement. Until now the peaceful solution to the war in Bosnia was considered an unattainable goal by Washington — both by his administration and by George Bush's administration, which had greater experience and talent in international affairs. Clinton's decision is even more praiseworthy considering it was taken on the eve of an electoral year when his image in his own country is deteriorated and his reelection seems doubtful.

The agreement is frail, as is reflected by the fact that it was only initialed.

The responsibility of the Bosnian Serbs within the pact is as ambiguous and that of the Muslims, who are the most affected by the negotiations as well as by the war. Moreover, the participation of U.S. troops, although promised by Clinton, also faces problems of congressional opposition. For all these reasons, determination and tenacity will be necessary — especially from the United States — to avoid breaking this pact. These difficulties, unavoidable in such a violent and complex dispute, should not becloud what has been achieved. This is a time to celebrate a "Pax Americana," an achievement of the only power with the strength and determination to impose it.

Foreign Minister To Visit to Cuba in Jan

PY0112152795 Santiago EL MERCURIO in Spanish 30 Nov 95 p C5

[FBIS Translated Excerpt] Foreign Minister Jose Miguel Insulza will make an official visit to Cuba in January 1996. He will thus become the first Chilean foreign minister to visit this country in the past 25 years.

He will be accompanied by an important Chilean business delegation that will be able to become acquainted with the possibilities for exporting Chilean products and make new investments in the Caribbean market.

An agreement on the promotion and reciprocal protection of investments is one of the documents to be signed on this occasion by the two governments.

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

The visit is scheduled to take place from 8 to 10 January, and this will be Insulza's first official activity in 1996. He will be on vacation from 19 December to 5 January.

He will travel to Cuba directly from Mexico, where he will be spending his vacation. [passage omitted]

President To Continue 'Productive' Foreign Visits

PY0112174595 Santiago Universidad Catolica Television Internacional in Spanish 0000 GMT 1 Dec 95

[FBIS Translated Text] Despite the criticisms for the number of trips abroad he has made this year, President Eduardo Frei today said he will continue his international tours as long as they are productive for the country.

Since he assumed the presidency 20 months ago, President Frei has visited 43 countries. Yesterday, upon his arrival, he looked more tired than ever. During his recent 14-day tour he visited Japan, the Philippines, Malaysia, and the PRC. During a news conference today, the president referred to his trip:

[Begin Frei recording] To belong to APEC [Asia-Pacific Economic Cooperation] opens truly incredible opportunities. It gives us the opportunity to be seated among the 18 emerging countries of the world, to which more than 50 percent of our exports are destined and the source of more than 80 percent of the foreign investment we receive. It would be suicidal for Chile not to be present, in an aggressive manner, in those markets. [end recording]

Just as is the case with President Frei, former President Patricio Aylwin had people who supported him and others who criticized him for his policy designed to project Chile's role and presence abroad through presidential tours.

However, the president says he will not act on the basis of reactions, and will continue advancing because the foreign sector is a pillar of development:

[Begin Frei recording] Therefore, we will continue our travels as often as necessary for Chilean interests. [end recording]

This is why the business sector considers Frei the great promoter of the opening of new markets, and according to his aides, nobody can replace him abroad.

[Begin Frei recording] Currently, we export almost 40 percent of our total production. If foreign trade represents more than 50 percent of the total GDP, it is obvious that thousands of Chilean jobs depend on how successful we are in the various markets, how lucky we are with our products. [end recording]

And although it has still not been confirmed, Frei will most likely travel again in early December, when he will attend the Mercosur [Common Market of the South] and EU meetings.

Foreign Minister: Meeting With Mercosur Not Fruitful

PY0212013195 Madrid EFE in Spanish 2236 GMT 1 Dec 95

[FBIS Translated Excerpt] Santiago, 1 Dec (EFE) — Chilean Foreign Minister Jose Miguel Insulza reported today that the recent negotiations among members of Mercosur [Common Market of the South] and Chile to reach a free trade agreement did not yield the results his country expected.

Insulza said: "We do not think it is a big problem because we have said several times that we are not so interested in the date when the agreement will be signed — the deadline expires on 7 December — but we want to sign, with Mercosur, an agreement that will be substantially relevant for us."

He added that the talks will continue and that contacts have already been made with "some colleagues of members of Mercosur (Argentina, Brazil, Paraguay, and Uruguay) to try clear up the situation."

The Chilean foreign minister did not rule out the possibility of new meetings within the next few days, before 7 December, and admitted that "we have some difficulties which must be resolved." [passage omitted]

Colombia

President: No Tolerance for Police Abuses

PA0112225895 Santa Fe de Bogota Inravision Television Canal A Network in Spanish 1730 GMT 1 Dec 95

[From the "Colombia 12:30" newscast]

[FBIS Translated Text] President Ernesto Samper has just announced that he will not permit Police or Army abuses under the pretext of implementing the internal disturbance decrees. He also assessed the result of those measures.

[Begin Samper recording] In the past 25 days, we succeeded in neutralizing the armed subversion's so-called First Offensive of the Bolivarian Campaign for a New Colombia, which sought to destabilize and destroy, through indiscriminate terrorism against all areas and sectors of the national life. Along the same lines, it is worth mentioning that a large number of extremely dangerous undesirables — including leaders of the armed

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

subversion, drug trafficking, and common criminal organizations, which have seriously been attempting against the right for life, honor, and properties of the Colombian people — have been either captured or killed. An entirely different matter is the existence of government agents who perpetrate abuses and violate people's rights under the pretext of defending these rights. The people can rest assured that, if this latter situation should prove true, the government will be the first to have the culprits punished severely for their actions and to make sure that such actions are not repeated. [end recording]

Government To Request 'Powerful' Radar From U.S.

PA0312162395 Santa Fe de Bogota Inravision Television Canal A Network in Spanish 0000 GMT 2 Dec 95

[From the "Seven O'Clock Newscast"]

[FBIS Translated Text] Colombia will ask the United States to install a radar in Vichada, which has become a new route for drug trafficking.

In the past few days, Venezuelan and Colombian authorities have discovered that drug traffickers have changed their drug transport air routes. They are now using Vichada along the border, a place where radars from both countries have practically no control.

[Begin recording of Defense Minister Juan Carlos Esguerra] Yesterday, we flew over the site where three airplanes were shot down by Colombian authorities in operations carried out during the past month and a half. [end recording]

In view of these new tactics, the Colombian Government will ask the U.S. Government, based on current cooperation mechanisms, to install a powerful radar in that part of the country, under the control of the Colombian Air Force.

Authorities Suspect Reorganization of Medellin Cartel

PA0312165395 Santa Fe de Bogota Inravision Television Canal A Network in Spanish 0000 GMT 2 Dec 95

[From the "Seven O'Clock Newscast"]

[FBIS Translated Text] Although it has been two years since Pablo Escobar's death and it was believed that his disappearance would mean the end of the Medellin Cartel, authorities have evidence that some of his friends have reorganized to continue the drug trafficking business.

Following the scandal provoked by the escape of Pablo Escobar and his associates from La Catedral Jail and the subsequent death of Escobar, it was presumed that the so-called Medellin Cartel had come to an end.

Today, two years after the events that led to Pablo Escobar's clash with the police and later to his death, authorities have serious evidence that the Medellin Cartel — with several former as well as new members, who are not only in Medellin but in Bogota as well — is being reactivated.

It is known that this new organization aims to take away business from Los Pepes, the group that helped with Escobar's death. Los Pepes, which continues to be their rival, is probably headed by Fidel Castano.

If these hunches turn out to be true, the current situation could mean there is a boost in drug trafficking in the country's northwestern region. Meanwhile, everything in Cali connected with drug trafficking seems to be temporarily paralyzed.

Prosecutor: House Arrest Possible for Rodrigueses

PA0312030495 Santa Fe de Bogota Inravision Television Canal A Network in Spanish 0130 GMT 3 Dec 95

[From the "AM/PM Newscast"]

[FBIS Translated Text] The prosecutor general today said that the leaders of the Cali Cartel, the Rodriguez Orejuela brothers, could also enjoy the benefits granted by the law to those who cooperate with justice. Meanwhile, the brothers Miguel and Gilberto Rodriguez Orejuela had a fight in prison.

Today the prosecutor general said the Rodriguez Orejuela brothers could enjoy house arrest just like Santiago Medina, provided that they give important information.

[Begin recording of Prosecutor General Alfonso Valdivieso] Anyone, including them or whoever is under similar circumstances, may request (?benefits) in exchange for cooperation. [end recording]

In addition, the "AM/PM Newscast" found out that a prosecutor will investigate charges that former Defense Minister Fernando Botero Zea, who is under arrest at Canton Norte prison, allegedly left this prison. Moreover, the two faceless prosecutors will travel tomorrow to the United States to obtain additional testimony from Guillermo Pallomari, who had at first accused Miguel Rodriguez Orejuela of kidnapping and murdering his wife.

The Prosecutor General's Office is also investigating last Thursday's fistfight between Miguel and Gilberto

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

Rodriguez Orejuela in the high security section at the Picota prison in Santa Fe de Bogota. Additionally, sources from the Prosecutor General's Office disclosed that Helmer Herrera's attorneys had requested as a condition for his surrender that the prosecutor general or the coordinator of the Prosecutor General's Office guarantee at a news conference that he will not be extradited. The Prosecutor General's Office did not accept this request.

Interior Minister Interviewed on Case 8,000

PA0212040995 Santa Fe de Bogota Emisoras Caracol Network in Spanish 1200 GMT 30 Nov 95

[Telephone interview with Interior Minister Horacio Serpa Uribe in Santa Fe de Bogota by Dario Arizmendi and Javier Ayala in Medellin — live; from Caracol's "0600 to 0900" newscast]

[FBIS Translated Excerpt] [Arizmendi] We do not have the gift of being able to be at two places at the same time. That is why we could not attend the event in which tribute was paid to Interior Minister Horacio Serpa Uribe at the Tequendama Hotel in Santa Fe de Bogota.

[Ayala] Many Colombians, including us, would have liked to attend that great party of democracy. The tribute paid to Interior Minister Horacio Serpa Uribe was spectacular, according to reports we have received here in Medellin.

[Arizmendi] It was apparently an unprecedented event. There were people on the streets, in halls. They had to set up television sets so that Dr. Serpa's followers could be present at the event in some way. [passage omitted]

It is now 0736 in Colombia, and we greet Interior Minister Horacio Serpa, who received an ovation last night. Congratulations and good morning.

[Serpa] Thank you, Dario, and good morning.

[Arizmendi] Is this the launching of your presidential candidacy in some way, Dr. Serpa?

[Serpa] No, no, it was a meeting of friends. It was a group of friends who decided to throw a party for me, and I accepted it. I thought it was an opportunity, was the proper moment, to make certain observations. The truth is that I was surprised because there was a big turnout. We said a few things, but we pointed out only a few of our economic and social viewpoints. We gave our opinion on Colombia's problems. There were no other reasons behind it, for sure.

[Arizmendi] Where did you get so many friends, Dr. Serpa, when you had so many enemies?

[Serpa, laughing] The former cancel out the latter.

[Ayala] Undoubtedly, last night's event was obviously a political one, because of the current circumstances in the country and because of the current political situation in the country. Did you interpret this as support for the government, a support for Horacio Serpa and for his recently controversial political positions?

[Serpa] There are contradictions in politics. There are different points of view. Certain points of view have been mentioned here. Certain observations have been made on the political and social situation in Colombia. Last night I had the opportunity to express different viewpoints. I believe this enriches the debate. There was great solidarity with the government, especially with President Ernesto Samper.

[Arizmendi] What is your opinion about the possibility that it should be the entire Chamber of Representatives, and not the Accusations Commission, that is in charge of the report to be submitted by Representative Heyne Mogollon on the fate of President Samper in the so-called Case 8,000?

[Serpa] The law says it must be the Accusations Commission. I heard someone stating that opinion. I believe it would be to violate the law. We must comply with the legal norms. The commission has a responsibility as stated in the basic law of the Congress. We must abide by the law.

[Arizmendi] What is your opinion regarding the State Council's decision to declare that the Prosecutor General's term would be for four years — which is a very controversial decision, by the way.

[Serpa] I was pleased with that decision.

[Arizmendi] What is next for the government?

[Serpa] To continue to work, to continue to govern by taking care of the situations that are being experienced in this country. A great deal of emphasis will be placed on the social sector. The tax bill that is being discussed, which was approved by a majority at the Chamber of Representatives on 29 November, will give the state the opportunity to invest a great deal of revenue in the social sector. That is the great concern of the government. That is President Samper's fundamental objective. He wants to reach the poor, correct the many inequalities, and overcome the many social problems in our fatherland.

[Arizmendi] There is talk about the dismissal of four, five, or six ministers after the debates take place in the Chamber of Representatives and after Dr. Mogollon submits his report. When will we learn about the extent of the ministerial crisis?

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

[Serpa] That is a topic that is handled exclusively by the president of the Republic, so I have nothing to do with that.

Santiago Medina Transferred to House Arrest

PA0312215295 Santa Fe de Bogota Inravision Television Canal A Network in Spanish 0130 GMT 3 Dec 95

[From the "AM/PM Newscast"]

[FBIS Translated Text] As we reported at the beginning of our newscast, Santiago Medina, former treasurer of the Liberal Party presidential campaign, today abandoned Modelo Prison in Santa Fe de Bogota and was transferred to his mansion in the northern part of the capital of the Republic. Medina's mansion will from now on be his prison.

Santiago Medina's house arrest was decided several weeks ago, according to the prosecutor general, due to his effective cooperation with authorities. Let us look at the first images:

[Unidentified reporter, from outside Modelo Prison] Pay attention: this is the first footage of the departure of Santiago Medina from Modelo Prison. At 2030 on the dot, Medina abandoned Modelo Prison in this car, as we now see.

He is now traversing the capital of the Republic on the way to his residence. A large operation is being carried out across the capital of the Republic to protect the most important witness in Case 8,000.

[Anchorwoman] Santiago Medina's transfer had been delayed because no institution wanted to be responsible for his security. We have more footage on this last-minute news.

[Reporter Oscar Galvis, from outside Medina's home] The arrival of Santiago Medina, president Ernesto Samper's former campaign treasurer, is expected here in his residence in the northern part of Santa Fe de Bogota.

This morning Prosecutor General Alfonso Valdivieso signed the resolution placing Medina under house arrest. This afternoon, INPEC [Penitentiary and Prison Institute] director Colonel Pelaez, the technical body of the Prosecutor General's Office, and the police formed a protection squad that will guarantee Santiago Medina's security in his residence in northern Santa Fe de Bogota.

As everyone knows, the Prosecutor General's Office gave Santiago Medina the benefit of house arrest as a result of his cooperation with the Prosecutor General's Office authorities regarding the so-called Case 8,000. This is all we have for now from 8th Avenue and 87th Street in Santa Fe de Bogota.

Attorney: President To Ask Congress To Investigate

PA0412025995 Santa Fe de Bogota Inravision Television Canal A Network in Spanish 0130 GMT 4 Dec 95

[From the "AM/PM Newscast"]

[FBIS Translated Text] President Ernesto Samper will ask Congress to conduct a trial on his actions during the presidential campaign, even if the Accusations Commission does not find enough merit to open an investigation.

Once the decision of Heyne Mogollon, chairman of the Chamber of Representatives Accusations Commission, is known, President Ernesto Samper will ask Congress to investigate him. President Samper's Attorney Antonio Jose Cancino made the aforementioned statements. He stated the president wants clarity about the investigation launched by the Accusations Commission.

[Begin Cancino recording] What the president wants is to seek mechanisms of clarity so that the ruling will be made public, because society must know the statements and responsibility of the president. In other words, this is an act of generosity on the part of the president, who wants the country to be aware of the situation. We are going to support and encourage him. [end recording]

Regarding Case 8,000, the "AM/PM Newscast" has learned that two DEA officials participated in the deposition of Guillermo Pallomari to the Colombian faceless prosecutors.

Investigator To Submit Report on Samper 5 Dec

PA0412032095 Santa Fe de Bogota Inravision Television Canal A Network in Spanish 0130 GMT 4 Dec 95

[Report by Rafael Chica Guzman; from the "AM/PM Newscast"]

[FBIS Translated Text] Tuesday, 5 December, at 1600, is zero hour for investigator representative Heyne Mogollon to submit to his colleagues of the Accusations Committee his conclusions on the inquiry on President Ernesto Samper Pizano.

[Begin Mogollon recording] I will not make a decision as to whether to charge him or not, or to declare the president innocent or not. The Accusations Committee will decide if there are grounds to conduct a formal investigation or to disqualify itself [decretar un acto inhibitorio]. [end recording] The Chamber representative

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

is confident that next week the Accusations Committee will issue a ruling.

[Begin Mogollon recording] On Tuesday, I will consult with my colleagues at the Committee to set a date, so that everything does not go beyond next week. I will submit a report to all my Committee colleagues, and they will make a decision by the majority established by the Constitution and Congress regulations. [end recording]

Despite the insistence of journalists, Mogollon has declined to give details of his report, and although it is known he has made a decision, he said that things may change between today and Tuesday.

[Begin Mogollon recording] I maintain that every investigator may have an opinion or may have reached a conclusion on what he has investigated, but one cannot be certain which way this decision will go until the last minute. Investigations are dynamic, and evidence may turn up that may change a preconceived notion the investigator may have. [end recording]

The only thing for certain is that Heyne Mogollon will leave this house located in Lorica to go to Bogota with his conclusions on the inquiry on the president.

Paraguay

Wasmosy Intervention Helps Overcome Party Impasse

PY0112193395 Asuncion Cerro Cora Sistema Nacional de Television Network in Spanish 1510 GMT 1 Dec 95

[FBIS Translated Excerpt] The different Colorado Party factions vying for the presidency of the Colorado Party's executive committee hammered out a political agreement on 30 November during a meeting in which President Juan Carlos Wasmosy participated.

Following this agreement, the factions competing in the Colorado Party presidential race nominated, on the morning of 1 December, their respective experts who will head the purge of the draft register of voters. These Colorado Party experts will hold their first meeting this afternoon. [passage omitted]

[Begin recording] [Unidentified reporter] [passage omitted] Commenting on this agreement, Colorado Party leaders stated that their party's electoral board had regained its independence. They underscored the fact that once again, the Colorado Party was trying to come to grips with a conflict that was even filed with the courts. [passage omitted]

[Blas N. Riquelme, Democratic Traditionalism candidate] I would like to underline that we reached an agreement thanks to the goodwill and resolute intervention of the president of the Republic. I think President Juan Carlos Wasmosy deserves due credit. I mention this in gratitude and satisfaction of the Colorado Party members who have once again been able to find a solution to an impasse that concerned us all, thanks to the head of state's personal intervention. [passage omitted] [end recording]

Party Elections Scheduled for Jan 1996

PY0112195895 Asuncion ABC COLOR in Spanish 1 Dec 95 p 3

[FBIS Translated Text] The leaders of the Colorado Party factions that are vying with each other for the Presidency of their party's executive committee managed to break the deadlock which the electoral process had reached by means of a political agreement reached at Mburuvicha Roga [presidential residence] on the evening of 30 November thanks to the mediation of President [Juan Carlos] Wasmosy. They committed themselves to correct all the irregularities of the register of voters and drop all legal actions. The deadline for challenging registrations on the electoral rolls has been extended for 21 days. Elections will therefore be held in January 1996.

At the invitation of the head of state, the four candidates running for the Presidency of the Colorado Party's executive committee — Angel Roberto Seifart from the United Coloradism faction, Luis Maria Argana from the Colorado Reconciliation Movement, Blas N. Riquelme from the Democratic Coloradism faction, and Atilio R. Fernandez from the United Colorado Force — met at the presidential residence, where, after two hours of discussion, they signed an agreement establishing the conditions for going ahead with the Colorado Party elections.

President Wasmosy's initiative saw the light of day following the Colorado Party electoral board's foiled attempt to convene all the candidates to a meeting to try to work out an agreement. Seifart did not put in an appearance; therefore, the other candidates, who did attend the meeting, were unable to decide anything.

The agreement signed at Mburuvicha Roga provides that at 0800 on 1 December, each faction competing for the presidency of the Colorado Party will go to the headquarters of the technical commission accompanied by their respective experts to identify and quantify the alleged irregularities in the draft register of voters and establish the procedure for corrections. This is going to be done under the supervision of the Colorado Party electoral board.

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

Concurrent with this task, a period of 21 days has been instituted for challenging registrations. Consequently, elections will have to be postponed until January 1996, according to what the candidates themselves acknowledged yesterday evening following the meeting at the presidential residence.

The Colorado Party candidates further agreed to drop all lawsuits and to empower the electoral board to establish the date for the election once all claims concerning the electoral roll have been settled.

Riquelme was the first to announce that a political agreement had been signed and that elections will be held in January. He made it clear that no date had yet been established; however, according to the tenor of what was discussed, elections will be held next January.

Argana, for his part, explained that the date for the election will only be established following the experts' report on possible irregularities and after all irregularities are remedied. Nevertheless, he said that it is highly unlikely that elections will be held on 17 December and that most probably, they will be postponed until the first week of January.

Fernandez pointed out that once again, Colorado Party members came to an agreement. Commenting on the date of the elections, he reckoned that they will be held on the second fortnight of January.

Pedro Hugo Pena, the head of the Colorado Party electoral board; Numa Alcides Mallorquin, a member of the aforementioned board; and Colorado Party Chairman Eugenio Sanabria Cantero also participated in the meeting at the presidential residence.

Peru

Daily on Military's Ties to Drug Traffickers

PY0112204295

[FBIS Editorial Report] Lima LA REPUBLICA in Spanish on 9 Nov, pages 16 and 17, carries a 1,800 report by Angel Paez on the testimony of drug kingpin Cachique Rivera, also known as "Teniente" or "Negro," to attorney Juana Cordova de los Santos on his deals with the military and policemen stationed in the Pichis-Palcazu valley.

The report states that when asked to give the names and nicknames of the military men, policemen, and civilian authorities to whom he paid protection money to be left alone, Rivera refused to do so. He added that he always built in $55 per kilo to cover bribes for the police so that they would allow him to smuggle the drugs from Colombia into Peru along the Palcazu River. He explained that he also paid Army officers, mayors, justices of the peace, governors, and peasants defense patrols in Ciudad Constitucion and Iscozacin, in Oxapampa Province, in the jurisdiction of the Mantaro Front which was headed by General Luis Perez Documet during 1991-92 and by General David Jaime Sobrevilla, also known as "El Abuelo," during 1993-94. The money was paid via an individual known as "El Gato" who did not belong to Rivera's firm but who acted as a liaison between the authorities and the traffickers.

Rivera explained that he did not deal directly with the authorities, but that every two weeks "El Gato" delivered as much as $7,500 to the police authorities, and $5,000 to be distributed among lower-ranking policemen after the police base moved to Ciudad Constitucion eight months ago. The military, based in Ciudad Constitucion for the past two years, received their payments via "El Gato" or "Piquito" and Milagros Reategui, also known as "La China," who was the friend or lover of Army Major Jorge Morales Hidalgo, also known as "Negro," who was only an intermediary because he passed the money on to his boss, Colonel David de Vinatea Cornejo, also known as "Josue," who lead the front's National Security Area "J", where Rivera operated. Rivera explained that the Army wanted more money than the police.

The report states that when asked for details of his links with military men, Rivera said the money was paid to Major Jorge Morales Hidalgo, who was based in Ciudad Constitucion around early 1994; to his boss, Colonel David de Vinatea Cornejo; and to Major Agustin Tafur Urbina, also known as "Orangutan," who was commander of the Iscozacin base until February 1995. The money was taken by "Chino Pana" or "Piguicho" to "El Gato" who, in turn, distributed the money among the military, police, and civilian authorities.

When the attorney demanded that Rivera reveal what he knew about the people he bribed, he said "I can only identify some Peruvian Army and Iscozacin civilian authorities." Rivera also explained that "when a shipment of drugs was to be sent from airports near Ciudad Constitucion, there was prior coordination to ensure Army and police personnel were confined to barracks, leaving in the clear the river along which the drugs were taken to the planes."

The report states that, based on statements by Col. David de Vinatea and Major Jorge Morales, attorney Cordova concluded that Commander Jose Peralta Salas Guevara, General MacDonald Perez Silva and Gen. David Jaime Sobrevilla allowed their subordinates to deal with drug traffickers because "they did not provide the necessary intelligence and logistic support" to do their job efficiently.

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

Lima LA REPUBLICA in Spanish on 12 Nov, pages 20 and 21, carries a 1,600 report by Angel Paez on the fact that President Alberto Fujimori—based on a report by the National Antidrug Directorate and overlooking investigations by attorney Juana Cordova de los Santos and Judge Cesar Herrera Cassina—has declared two generals, one colonel, one commander, one major, one captain, two lieutenants, and one corporal innocent of charges that they received payments for protecting drug kingpin Abelardo Cachique Rivera.

The report mentions that investigations by the media confirmed that military men stationed in the Pichis and Palcazu River valleys protected Rivera. This was confirmed by Rivera himself, who told Cordova that it is not true that the countersubversive base in Iscozacin, where he operated, was moved because it was no longer necessary. He said that although terrorist activities had decreased significantly, drug trafficking still continued when the Army base was moved in June 1994. Rivera commented that one of the military men's jobs was to fight drug trafficking and that he continued to pay them protection money until he was arrested. Rivera said that since 1993 the military officers and subordinates of the military bases in Iscozacin and Ciudad Constitucion were bribed by the drug mafias. Gen. David Jaime Sobrevilla, the Mantaro Front commander, and Gen. MacDonald Perez Silva, his intelligence chief, knew about it but still decided to dismantle the Iscozacin base.

The report notes that subsequent events involving drug trafficker planes proved to Cordova that were still good reasons to maintain the military base in Iscozacin from where Rivera continued to freely send drugs to Colombia using an airstrip located next to the military base. He said he paid $25,000 per flight to the commanders of the Ciudad Constitucion and Iscozacin bases and $60,000 every three months to the high command of the Mantaro Front. He also revealed that last January Major Agustin Tafur Urbina, head of the Ciudad Constitucion military base, confiscated all his belongings from the San Juan de Chuchurras farm because he refused to pay a pending debt of $45,000 for allowing a plane to take off. Rivera said he had paid $60,000, $40,000, $100,000, and another $60,000 to Gen. David Jaime Sobrevilla, also known as "El Abuelo."

The report quotes a National Counterterrorism Directorate report, saying that Rivera operated in the zone where countersubversive bases existed since 1980 until he was arrested on 5 June 1995 by Colombian authorities, so Fujimori could hardly assert that the military officers did not collect protection fees because they must have known about the trafficking there. The report adds that the charges against military men are not an orchestrated campaign against the Army, as Fujimori has suggested, but the result of judicial investigations. It adds that obviously neither the government or the military institution is willing to punish those corrupt officers.

The report ends by mentioning that only one military officer, Lieutenant Werner Huamani Tipismana, also known as "Ninja," whose subordinates murdered eight traffickers without him giving the order, was sentenced by the Military Court to 12 years imprisonment. After noting that the 250 kg of drugs seized on that occasion were sold by Huamani's commanders, the article recalls that he was held as an example of exemplary punishment for a delinquent when in truth he is a hero of the war against subversion as stated by the Army itself.

Judicial Branch Executive Committee Installed

PY0112232895 Lima EXPRESO in Spanish 23 Nov 95 p A6

[FBIS Translated Text] The executive committee that will reorganize, administratively, the judicial branch was installed yesterday at the Supreme Court of Justice in the presence of all Supreme Court justices.

This committee comprises the president of the Constitutional Court, Victor Raul Castillo Castillo; of the Civil Court, Lino Roncalla Valdivia; and of the Criminal Court, Pedro Iberico Mas. The committee will act as a collegiate organization.

It was reported that the procedure to be followed to designate the executive secretary of the committee will be established within the next few days. This secretary will handle the budget and the economic administration.

The committee's first task will be to evaluate and rationalize personnel in the administrative area and then prepare rules for the judicial hierarchy.

Supreme Court President Views Judicial Branch Bill

PY0212011195 Lima LA REPUBLICA in Spanish 20 Nov 95 p 4

[FBIS Translated Excerpt] Supreme Court President Moises Pantoja said the draft bill to reorganize the judicial branch is "quite good." Pantoja drafted the original draft bill that was submitted to Congress.

He added: "With this tool the first steps can be taken to change the poor image that this institution, which has the important job of administering justice, has acquired over the years."

He said it is his moral duty to submit this draft bill that also seeks to obtain "pending" foreign aid for the judicial branch.

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

Pantoja said: "It is no secret to anyone that justice has been administered in a slow and inefficient manner, and this is why radical changes are needed."

He said that once this law is promulgated it will allow the evaluation of all personnel—from auxiliary personnel to justices—so that deficiencies in the judicial branch may be eliminated.

He explained that the first who must pass this exam are, precisely, the auxiliary personnel and clerks, because they are the "right-hand men" of the justices.

Pantoja said: "The justices will also be assessed, but not immediately." [passage omitted]

Venezuela

Government Officials Discuss Regional Elections

Caldera Vows To Respect Results

PA0212024795 Mexico City NOTIMEX in Spanish 0104 GMT 2 Dec 95

[FBIS Translated Text] Caracas, 1 Dec (NOTIMEX)—Venezuelan President Rafael Caldera today guaranteed his government will respect the results of this coming Sunday's regional elections in which some 10.3 million Venezuelans will vote.

The chief of state declared on a national radio and television network that the votes to be cast by electors will be "fully guaranteed and respected in their expression and in the results."

In this manner Sunday's election day will be a "new motive of affirmation of Venezuelan democracy," he stated.

The president called on all voters to go to the polls, noting that it is indispensable for the future of democratic institutions to exercise the right to vote.

Caldera noted that in different opinion polls, the absolute majority of Venezuelans are in favor of the current democratic system and for this "it is indispensable that we exercise our right to vote," he stated.

He said that the new officials who are elected on Sunday, 3 December, have the great responsibility of working to overcome the current socioeconomic crisis experienced in Venezuela.

The president emphasized that it is not the exclusive responsibility of the central government to seek solutions to the country's problems, but to a large extent is the responsibility of regional and municipal officials.

He asked the new authorities to project their work with a view to overcoming problems, such as insecurity, improving public services, education, health, and preservation of the environment.

The Venezuelans will elect over 6,000 new public officials, including governors, mayors, regional deputies, councilmen, and representatives to the community boards.

Caldera Urges Nation To Vote

PA0312042395 Caracas Venezolana de Television Network in Spanish 0200 GMT 3 Dec 95

[Address to nation by President Rafael Caldera from Miraflores Palace in Caracas—live or recorded]

[FBIS Translated Text] Accompanied by the president of the Supreme Electoral Council, members of the Armed Forces High Command, and the commander of the Republica Plan [security measures to be implemented on election day], I address the Venezuelan people with a double purpose:

First, I assure all voters that the votes they will cast Sunday will be totally guaranteed and that their expression and results will be respected. The necessary public order will be guaranteed so that elections can be another way to reaffirm Venezuelan democracy.

Second, I invite all those who are apt to vote to go to the polls to exercise that right, which is vital to strengthen democratic institutions. All opinion polls conducted in Venezuela have shown that regardless of the different opinions expressed by those interviewed, an absolute, decisive, and full majority are in favor of the democratic system. They feel that Venezuela should continue living in democracy. For that reason, it is necessary that we exercise the right to vote, which is inherent in the normal functioning of institutions.

I must also stress before voters that the government officials you will elect—governors, mayors, and other regional and muncipal authorities—will play an important role in facing the grave problems our country is confronting. This is not an exclusive responsibility of the national government, but to a large extent the responsibility of regional and municipal authorities. They are also responsible for the problems of personal security, public services, improvement of education and health, roads in urban and rural areas, and environmental protection. In all those areas, the participation of those government officials is vital and fundamental. The functioning in harmony of the various branches of the state, from the highest positions in the executive branch to the lowest ranks throughout the country is fundamental and vital in order to face problems satisfactorily.

Consequently, there is no excuse for voters and citizens not to exercise their right to vote. Therefore, I invite you

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

to reflect and take into consideration the responsibility each one of you has. We must reaffirm in a brilliant and decisive way next Sunday that the Venezuelan people's desire to live in liberty and democracy is maintained and strengthened each day, and that we are all aware of the need to join efforts and harmonize all our abilities to serve our country.

Venezuelans: Receive my cordial greetings and the reaffirmation of my faith and confidence in Venezuela's destiny.

Orozco: Electoral Process 'Normal'

PA0312223495 Caracas Venezolana de Television Network in Spanish 1951 GMT 3 Dec 95

[News conference by Defense Minister General Moises Orozco Graterol with unidentified reporters at the Supreme Electoral Council in Caracas—live]

[FBIS Translated Text] [Unidentified studio reporter] We are broadcasting live amid the disarray customary in this sort of event. Here is Defense Minister Moises Orozco Graterol who is right now going to host a news conference. He is accompanied by Division General Raul Salazar, commander of the Republic Plan. Some problems have arisen between security and journalists, but we are going to do our job, which is to carry the news conference. Let us see if seven news media, as well as 25 or 30 journalists, can work it out in order to carry a clean transmission. You are seeing that the minister has arrived, and order has been imposed. Defense Minister Moises Orozco Graterol:

[Orozco] Allow me to see the faces of those posing questions. Let us have some order.

[Studio reporter] The defense minister is hosting a news conference. The round of questions has been previously organized by the Supreme Electoral Council [CSE] Press Office. As everybody knows, the time period established by the guidelines and the law to exercise the right to vote will be up in seven minutes or at 1600. If some polling place is still open, the voters may cast their ballots, although the time set ends at 1600. Let us see if we can finally have some order despite the presence of the military and army officers. [as heard] The defense minister will now speak:

[Orozco] Let us have some order so we can answer questions. I first came here to explain — or rather: visit CSE President Enrique Yespica to talk with him about the unfolding of the electoral process nationwide. So far, we have had an overwhelming demonstration of civic spirit characteristic of all Venezuelans. We are certain that the remainder of the process for the duration of the day will be conducted with the greatest demonstration of order and tranquility. The lines in many polling places are very long, telling us that the elections will not close as we had planned at 1600. Let us have some order. The next question.

[Reporter] Minister, minister. [Question indistinct]

[Orozco] Right now, there are approximately 80 persons under arrest in the whole country for transgressing the norms of the electoral process, be it the illegal sale of liquor or illegal possession of weapons. We found some persons with a suspicious attitude in the early morning hours near polling places. Others were arrested for other reasons. We feel that is basically normal for these things to happen since some people do not respect the established rules of the game.

[Reporter] Within the work done under the Republic Plan nationwide, what is your assessment so far of the polling places where problems were reported? How have the problems been solved? What kind of sanctions have been imposed on transgressors?

[Orozco] The problems have been basically insignificant. The problems regarding the electoral material have been solved.

We have had to send airplanes to Zulia and Bolivar States, where some inconveniences have appeared regarding what we call electoral materials. In other words, there has been a lack of electoral materials.

The other incidents are practically insignificant. These involve the arrest of some individuals for illegally carrying weapons. But no one has been arrested for an attack on a voting table, a polling station, or for trying to sabotage the process.

[Reporter] [Words indistinct] officials of the Administrative Police?

[Orozco] That is false. The arrest of 17 officials from the Administrative Police is absolutely false.

[Reporter] [Words indistinct] some problems have been reported at the Municipal Electoral Board in El Paraiso. Can you please confirm this?

[Orozco] The commander of the Republic Security Plan, who recently talked with El Paraiso authorities, has informed me that no incident was reported.

[Reporter] [Question indistinct]

[Orozco] No extension will be given. The law clearly establishes that if no person is standing in line at 1600 when the polls are scheduled to close, the polls will then close. If there are people in line waiting, polls will remain open until the last person in line casts his vote.

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

[Reporter] [Question indistinct]

[Orozco] Please, I cannot answer two questions at the same time.

[Reporter] [words indistinct] appropriate measures been taken for that? Has any movement been observed?

[Orozco] Excuse me, but I was unable to hear your question because some people were also talking here. Please, make your questions one at a time.

[Reporter] Okay [words indistinct] Caracas Radio, Mr. Minister. Last week, there were rumors that the losing party may take to the streets to protest and call for demonstrations. Have appropriate measures been taken to prevent this from happening? Has any strange movement been observed this afternoon?

[Orozco] So far we have no indication that may happen. But should it happen, we have taken provisions to prevent demonstrations that may jeopardize security and tranquility.

[Reporter] [Question indistinct]

[Orozco] Sorry, I did not hear you.

[Reporter] [Question indistinct]

[Orozco] The Armed Forces will guarantee security at the facilities where the vote count will take place, namely the Municipal or Principal Boards. Each of these facilities—where the vote count will take place—has a capacity of people who may be present. After these facilities are filled with people to capacity, no one else will be allowed in because the excess of people may cause a problem, which is what we don't want.

The Armed Forces have plans to protect these facilities in order to guarantee the security and order within the facility where the vote count is taking place.

[Reporter] [Question indistinct]

[Orozco] No inconvenience has been reported from the border. As I said earlier, the operating capacity of the units stationed at the border remains. The security for the rest of the country is being offered by the military forces that had been confined to quarters.

Regarding the border, initially the Supreme Electoral Council [CSE] had requested that it be closed and so we closed it. But later, at the request of some political parties, the border was opened only to Venezuelan citizens. The border is closed to foreign citizens.

[Reporter] [Question indistinct]

[Orozco] All over the country. An assessment will be made, and we will see what actions will be taken depending upon the nature of the fault. We will determine if the person committed a minor offense or violated a municipal directive or, if a crime was committed, they will be turned over to judicial authorities.

[Reporter] [Question indistinct]

[Orozco] No, all over the country.

[Reporter] [Question indistinct]

[Orozco] Those who break the Electoral Law. They will also be arrested for failing to observe the dry law, illegally carrying weapons, etc. For instance, a person who is found carrying a weapon illegally and, as part of the investigation, if we determine he has a criminal record, that person will be transferred to the PJT [Judicial Technical Police], which will make the corresponding investigation.

[Reporter] [Question indistinct]

[Orozco] No, all over the country.

[Reporter] [Question indistinct]

[Orozco] Tomorrow morning we will abandon the facilities that have been used as voting centers so that, in the case of schools, classes can be immediately resumed.

[Reporter] [Question indistinct]

[Orozco] Of course, yes. We will continue to guarantee security not only until the polls close but until the vote count ends and results are given.

[Studio reporter] The minister has abruptly ended this news conference, and natural pandemonium is taking place at this time, as he leaves.

Caldera on State, Municipal Elections

PA0412031995 Caracas Venezolana de Television Network in Spanish 0100 GMT 4 Dec 95

[Speech by President Rafael Caldera at Miraflores Palace in Caracas on 3 December—live]

[FBIS Translated Text] All of us Venezuelans should feel satisfied with today's democratic elections. This has been a new test for the Venezuelan people as to their institutional conscience and aspiration for a permanent adherence to democracy, which our Constitution describes as the only means that guarantee the exercise of freedom and rights and opens the way for our people's development.

The Venezuelan voters' orderly turnout to elect state and municipal authorities has been truly satisfactory. In this regard, I must congratulate all of our fellow countrymen who had a clear idea of what their duty was and have satisfactorily complied with it.

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

Of course, we are concerned about the high inflation rate. However, current estimates indicate that it is possibly lower than at the time of previous elections for state and municipal authorities. These have been the third elections for governors, mayors, legislative and state authorities, municipal councilmen, and parish councilmen. In any event, we are convinced that today's turnout will move the conscience of those who did not vote so that they have the conviction that they will be serving the country's highest interests when they participate in other elections.

I must commend the efficiency of the Republic Plan, which will continue to be in force as long as it is necessary to happily conclude the entire elections' process. Undoubtedly, there are still some cases in which vote counts are so tight for various candidates that the suspense is tense. Nevertheless, this tension cannot degenerate into violent acts, which will not be allowed either. Rather, all of the candidates have pledged to accept the results of the elections even if there is a minimum difference, so as to honor the basic privilege and principle of democratic institutions that whoever has the majority of votes receives the credentials until new elections yield different results.

I must say that in the whole process, the government feels that all of or nearly all of the candidates who have been elected as governors and mayors have a rather clear desire to accept that the obligation to govern pertains to them as well as the national government and that their coordination is necessary at various levels of authority to solve problems. We cannot solve problems such as personal security without cooperation from governors who have authority over state police and from mayors who also have their own police forces. If each one goes his own way and if there are conflicts among one another, there will be negative results. The people call for harmony. I am convinced there is a good willingness for dialogue. The government is open to a dialogue without any discrimination to together achieve a basic harmony with a respect of course for each one's ideas and concepts, but to place above all the country's basic interest.

I plan to call a national convention of governors in January once the governors-elect have taken office. I hope that this convention does not give place to diatribe or conflicts or useless arguments, but will rather help to reach solid agreements among the various branches of public power. We would do the same also with the mayors, because municipalities are part of the state institutions and play a basic role in solving problems and in satisfying people's needs.

I would like to express warm and caring greetings, to congratulate all of those who are elected, to tell them that the country is watching over their work and has hopes for this period that begins, to ask all of the Venezuelans to give our support and assistance as well as understanding and present claims in a fair way to the new authorities we elect. Thus, we all will demonstrate that this Venezuelan democracy that we love so much is not a formula democracy but is rather effective and whose basic concern is to benefit the people, serve the community, and achieve harmony and coordination of all of the best motivations, intentions, and aspirations of all of the Venezuelans. Thank you very much.

High Abstention Rate Noted

PA0412041795 Madrid EFE in Spanish 0216 GMT 4 Dec 95

[Report by Francisco R. Figueroa]

[FBIS Translated Text] Caracas, 3 Dec (EFE)—If it was up to the television today's regional elections in Venezuela would have been won by the opposition Democratic Action [AD] of social democratic leaning, but if the progovernment party was right the official victory would be categorical.

What happened in the municipal and regional elections held today in Venezuela?

There are answers and unofficial results for all tastes, depending on the spokesman.

The slowness of electoral officials in reporting the information caused uncertainty, tension, cliques in each party camp, and allowed more than one candidate to claim victory in the same place.

"The only results are those to be disclosed by electoral authorities. Other results are premature," Enrique Yespica, president of the Supreme Electoral Council, said. He did not contribute in any way to clarifying the uncertainty in the country.

Caracas, as well as the second and third electoral districts—the States of Zulia and Bolivar—are an example of the inconsistency in the information.

In the capital, the AD party, of social democratic leaning, and the unionists of Radical Cause claimed victory.

Nelson Chity, of Copei [Social Christian Party], may tip the balance in one direction after recognizing the victory of the "AD" candidate, adversely affecting incumbent Aristobulo Isturiz, of the Radical Cause, who anxiously sought reelection.

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

A similar case occurred in the strategic eastern State of Bolivar, seat of the country's heavy industry, and the western State of Zulia, the leading petroleum industry center which supports Venezuela.

In Bolivar, the Radical Cause may have lost its main stronghold, and in Zulia former coupist military officer Francisco Arias Cardenas, candidate for the same party, claimed victory. Nevertheless, the television gave AD a close advantage margin.

"There is a conspiracy against Radical Cause," Mayor Isturiz stated, in reference to the alleged fraud large parties are carrying out at the voting tables.

Emotions are undoubtedly running high, and no one knows if Radical Cause will mobilize its supporters in defense of victories it believes it has obtained, as it did in the 1992 regional elections to prevent being deprived of victory in Caracas.

AD obtained a clear victory in seven of the 22 governor races of the country, but in the other seven races the television awarded to AD their rivals are fighting for victory.

Although the victory awarded by television in 14 states to AD was not confirmed, "AD members" would have won most governor seats and would therefore strengthen their leading position in the national scenario in the face of the 1998 presidential elections.

AD maintains a considerable lead over Copei its permanent rival in the nearly 40 years of uninterrupted democratic life in Venezuela and with which it has alternated terms in office.

According to exit polls, Copei has assured itself unquestionable victories in two states, Falcon and Miranda, as well as in Portuguesa, where it joined a coalition with the ruling National Convergence (CN) and Movement Toward Socialism (MAS).

The CN, the party created by Venezuelan President Rafael Caldera and under which he was elected president in 1993, has assured itself victories in Yaracuy, the president's home state, and Aragua and Sucre, where it ran in alliance with the MAS.

Nevertheless, CN leader Juan Jose Caldera, son of the Venezuelan president, said his party won in nine states but did not provide figures. He acknowledged AD victories in five gubernatorial races.

A Copei dissident, 39-year-old Enrique Salas Feo clearly won as an independent in Carabobo, the fourth most important state in the country, where he succeeds his father, Enrique Salas.

In view of the lack of official results, the Venezuelans went to sleep, placing their trust on the television projections and with the promise that the confusing panorama will begin to be cleared on Monday.

It is not certain when the official results of these elections will be made known. The Venezuelans voted for governors and regional legislators of 22 states and mayors and council members of 330 municipalities.

No real figures on the abstention rate have been issued, although some political figures have mentioned 60 percent, confirming the percentage that polls and the electoral authorities had predicted. This represents the highest abstention rate in Venezuela's democratic history.

[Paris AFP in Spanish at 0126 GMT on 4 December reports in a 250-word dispatch from Caracas that former President Carlos Andres Perez told AFP that "the AD members gave the victory to AD but the Venezuelans showed their discontent with the parties by their abstention and staying home."]

Country Reaches 'Agreement of Principles' With IMF

PA0112232695 Paris AFP in Spanish 2111 GMT 1 Dec 95

[FBIS Translated Text] Caracas, 1 Dec (AFP)—Planning Minister Edgar Paredes Pisani announced on 1 December that Venezuela has reached an agreement of principles with the IMF, which includes fiscal discipline and moves toward the deregulation of the existing exchange rate.

He admitted, however, that the increase in domestic gasoline prices and the application of other direct taxes on consumption are the two main obstacles for the signing of an agreement with the IMF.

"We proposed a gradual adjustment in the fiscal deficit and we are discussing the numerical aspects of the negotiation," Paredes said at the end of a meeting with the chief of the IMF's technical mission, who is currently in Caracas, Carlos Muniz; Finance Minister Luis Raul Matos Azocar; and Venezuelan Central Bank President Antonio Casas.

The reduction of the fiscal deficit, which was officially set at 7 percent of the GDP, within a two-year period, has been another one of the relevant points of the negotiation of an agreement that can allow Venezuela to have access to money from the IMF and other sources for at least $7 billion.

Other aspects include making progress toward increasingly positive interest rates, inflation control, and recovery of the international reserves.

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

IMF technicians estimate that the current interest rate levels—24 percent on liabilities and 45 percent on assets, on the average—do not favor the absorption of liquidity, one of the inflationary elements.

This year, the inflation rate reached 39.9 percent between January and October and it is expected to reach 50 percent by the end of the year.

The inflationary goal the government and the IMF expect to reach is 1 percent per month until the end of 1996, hoping to reach one-digit figures per year starting in 1998.

Reserves decreased by some $3 billion during the same period after dropping to $9 billion from $12 billion, despite the exchange controls in effect since June 1994. Official expectations include the recovery of $1 billion for next year.

Moreover, the Venezuelan domestic and foreign debt, which is a burden for the national budget as it takes up more than 40 percent of the budget, would consume in the next two years $23.5 million.

Paredes Pisani said that regardless of the economic measures, they should be accompanied by socio-political measures that can ensure protection for the poorest sectors.

He said that the gasoline issue is a topic that is "reserved for the president," who has hesitated in increasing its price from $0.06 to $0.25 per liter.

"This involves the adopting of wage policies that would allow for the improvement of nominal wages and make fiscal and budget plans in order to have enough resources available to maintain and reinforce programs for providing direct subsidies for the population," he added.

Venezuela signed an agreement with the IMF in 1989, the first measures of which led to the "Caracazo" (looting and violent disturbances in Caracas in February 1989 after President C.A. Perez decreed stringent economic measures) following the increase in the prices of gasoline and, consequently, in bus fares leaving behind hundreds of deaths and millions in losses.

The agreement was suspended in 1992 following two coup attempts against former President Carlos Andres Perez, currently being tried for alleged corruption.

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

BULK RATE
U.S. POSTAGE
PAID
PERMIT NO. 352
MERRIFIELD, VA.

This is a U.S. Government publication produced by the Foreign Broadcast Information Service (FBIS). Its contents in no way represent the policies, views, or attitudes of the U.S. Government.

FBIS collects, translates, disseminates, and analyzes foreign open-source information on behalf of the U.S. Government. Its publications may contain copyrighted material. ***Copying and dissemination is prohibited without permission of the copyright owners.***

— Bracketed indicators before the first sentence of each item describe the way in which the material was processed by FBIS.

— Headlines and all bracketed explanatory notes are supplied by FBIS.

— Personal and place names are rendered in accordance with the decisions of the U.S. Board on Geographic Names as adapted by FBIS. Unverified names in radio and television material appear in parentheses and are spelled phonetically; words and phrases in parentheses preceded by a question mark are unclear in the original and deduced from context.

SUBSCRIPTION INFORMATION

U.S. Government Customers

For a list of FBIS products, to subscribe to an FBIS publication, or to indicate a change of address contact:

FBIS
P.O. Box 2604
Washington, DC 20013-2604
Telephone: (202) 338-6735
FAX: (703) 733-6042

Non-Government Customers

Subscriptions are available from the National Technical Information Service:

NTIS
5285 Port Royal Road
Springfield, VA 22161
Telephone: (703) 487-4630
FAX: (703) 321-8547

New subscribers should expect a 30-day delay in receipt of the first issue.